

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION

Middletown, New Jersey

County of Monmouth

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION

MIDDLETOWN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**PREPARED BY DISTRICT FINANCE OFFICER
BOARD SECRETARY, AMY GALLAGHER**

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INTRODUCTORY SECTION

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MIDDLETOWN TOWNSHIP PUBLIC SCHOOLS

Office of the School Business Administrator/Board Secretary

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William O. George, III, Ed.D.
Superintendent of Schools

www.middletownk12.org

Amy P. Gallagher, CPA
**School Business Administrator/
Board Secretary**

December 05, 2015

Honorable President and Members
Of the Board of Education
Citizens of the Township of Middletown
Middletown Township School District
County of Monmouth
Middletown, NJ 07748

Dear Board Members and Citizens of the Township of Middletown:

The comprehensive annual financial report of the Middletown Township School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2015, and the respective changes in financial position and cash flows, where applicable, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart, a roster of officials, the list of independent auditors, and advisors. The financial section includes management's discussion and analysis (presented immediately after the report of independent auditors), basic financial statements, required supplementary information, and other supplementary information, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the New Jersey OMB Circular 04-04 and/or 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control and compliance with applicable major programs and findings and recommendations are included in the Single Audit section of this report.

1. Reporting Entity and Its Service

The Middletown Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds of the District are included in this report. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular education programs, vocational programs, and special education programs and services for handicapped students. The Middletown Township School District is comprised of twelve elementary schools, three middle schools and two high schools. The District operates an alternative high school program (Austin Academy) as well as an alternative program at the middle school level. The District student count at October 15, 2014 was 9,668.

2. Economic Condition and Outlook

Ratables have been declining over the last few years due to the weak economy and reduced valuations. The Township of Middletown completed a reassessment of all of its properties in 2011 due to the volume of tax appeals that were being filed. Our bonded indebtedness is \$72,759,000 as compared to our school-borrowing margin of \$339,411,654.

The District's enrollment has been declining over all over the last few years, but increased slightly this past year. A demographic study was completed in May 2014 that projects a continuing downward trend in enrollment over the next five years. However, the district has not seen a decrease to the extent that was projected during the first two years included in the study. There are a few new residential developments planned in the Township, but they are not anticipated to have a significant impact on the student population.

The 17 schools in the district vary in age, with original construction dates ranging from 1928 through 1974. The District passed a bond referendum in March 2014 for roofing and improvements to the geothermal heating and cooling system.

3. Long-Term Financial Planning/Major Initiatives

The Board's Finance and Facilities Committees are currently monitoring and evaluating the financial and facilities needs of the district. The District's last update of its Long Range Facilities Plan was finalized in 2009 and the district began updating this plan during the 2014-2015 year. The District submitted 39 applications for state Regular Operating District (ROD) grants in September 2013 and all of the applications were approved. The total of amount of the ROD grants awarded to the District was \$12.9 million, which represents 40% of the eligible costs of the projects. In order to raise the local share of these projects, the District held a referendum in March 2014 and the voters approved the issuance of \$19.4 million in bonds. District administrators and the Board are also evaluating the long-term financial impact of state mandated initiatives and the allocation of state aid.

4. Internal Controls

Management of the District is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) as they pertain to governmental entities. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal controls, including that portion related to federal and state financial assistance programs, as well as evaluate whether the District has complied with the applicable laws and regulations relating to its major programs.

5. Budgetary Controls and Process

In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general

fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

Beginning with the 2012-2013 budget, the state of New Jersey allowed school districts to elect to eliminate the budget vote and adopt a budget approved by the Board of Education and the New Jersey Department of Education (NJDOE) providing that the tax levy increase does not exceed 2% plus any allowable waivers. The Middletown Township Board of Education elected to eliminate the budget vote at that time. In addition to the 2% limit on tax levy increases, there are restrictions on budget transfers during the year that can be made without NJDOE approval.

6. Accounting System and Reports

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

7. Debt Administration

At June 30, 2015, the District's outstanding debt issues included bonds of \$72,759,000. The district's current bond rating is AA.

8. Other Information

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB circular A-133 and New Jersey OMB Circular 04-04 and/or 15-08. The auditors' report on the basic financial statements, required supplementary information, and other supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

9. Acknowledgments

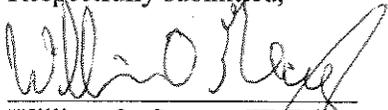
We would like to express our appreciation to the members of the Middletown Township Board of Education for their concern in assuring fiscal responsibility to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

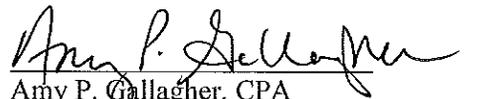
10. Awards

The district received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Excellence, the district published an easily readable and efficiently organized CAFR.

This report satisfied both Generally Accepted Accounting Principles in the United States of America and applicable legal requirements. A Certificate of Excellence is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Excellence Program's requirements and we will be submitting it to ASBO to determine its eligibility for another certificate.

Respectfully submitted,


William O. George, III, Ed.D.
Superintendent of Schools


Amy P. Gallagher, CPA
Business Administrator/Board Secretary

MIDDLETOWN BOARD OF EDUCATION

MIDDLETOWN, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>Members of the Board of Education</u>	TERM EXPIRES
James Cody, President	2015
Bob Banta, Vice President	2016
Vincent Brand	2016
Leonora Caminiti	2015
Michael Donlon	2016
Ernerst Donnelly	2017
Susan Griffin	2017
Helene Henkel	2017
Joan Minnuies	2015
<u>Other Officials</u>	
William O. George, III, Ed. D. Superintendent of Schools	
Amy P. Gallagher, CPA, School Business Administrator/Board Secretary	
Judith Vassallo, CTC, Treasurer	
Christopher B. Parton, Esq., Solicitor	

MIDDLETOWN BOARD OF EDUCATION

MIDDLETOWN, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2015

AUDITOR/AUDIT FIRM

Michael Holt, CPA, PSA
Holman Frenia Allison, P. C.
912 Highway 33, Suite 2
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OFFICIAL DEPOSITORY

TD Bank
207 Harmony Road
Middletown, New Jersey 07748

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Middletown Township Board of Education

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Middletown Township School District
County of Monmouth
Middletown, New Jersey 07748

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Middletown Township Board of Education, County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Middletown Township Board of Education, County of Monmouth, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplementary information schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Middletown Township Board of Education's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records

used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 05, 2015 on our consideration of the Middletown Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Middletown Township Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Freehold, New Jersey
December 05, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MIDDLETOWN TOWNSHIP BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2015 Unaudited

This section of the Middletown Township Board of Education's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2014-2015) and the prior fiscal year (2013-2014) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2015 are as follows:

- As described in Note 20 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$38,963,308 as indicated in Note 20 to the financial statements. There was also a prior period restatement due to the correction of an error. The District improperly overstated capital assets as well as net investment in capital assets in the amount of \$20,128,175. Prior year balances reflected in MD&A have been updated, for comparison purposes, to reflect the change where indicated.
- In total, net position of governmental activities decreased \$2,963,531, which represents a 33.6% decrease from 2014. Total net position of business-type activities increased \$108,494, which represents a 25.7% increase from 2014.
- General revenues accounted for \$152,614,456 in revenue or 79.15% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$40,208,910 or 20.85% of total revenues of \$192,823,366.
- Total assets of governmental activities decreased by \$19,511,149 as cash and cash equivalents decreased by \$8,207,372, receivables decreased by \$3,425,302, restricted cash and cash equivalents and cash on hand with fiscal agent increased by \$91,107, and total capital assets decreased by \$7,493,849.
- Total liabilities of governmental activities increased by \$49,624,512 as accounts payable increased by \$298,087 and non-current liabilities due beyond one year increased by \$40,564,598.
- The District had \$193,147,621 in governmental activity expenses; only \$37,764,528 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$155,383,093 were not

adequate to provide for these programs, resulting in a decrease in net position for governmental activities of \$2,963,531.

- In the governmental funds, the general fund had \$163,876,829 in revenues and \$167,537,417 in expenditures. The general fund's fund balance decreased by \$1,824,999 over 2014.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Middletown Township Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District uses trust and agency funds to account for resources held for student activities and groups, for payroll transactions, student scholarship fund and for the District's unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

The District's financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2015 and 2014, respectively:

	Governmental Activities		Business-Type Activities	
	2015	2014	2015	2014
Assets				
Current and Other Assets	\$ 22,616,736	\$ 34,634,036	\$ 479,473	\$ 589,616
Capital Assets, Net	100,344,145	107,837,994	530,506	422,012
Total Assets	<u>122,960,881</u>	<u>142,472,030</u>	<u>1,009,979</u>	<u>1,011,628</u>
Deferred Outflows of Resources				
Deferred Outflows Relating to Pension	5,883,049	-	-	-
Deferred Charges on Refunding of Debt	1,911,515	2,011,918	-	-
Total Assets and Deferred Outflows of Resources	<u>130,755,445</u>	<u>144,483,948</u>	<u>1,009,979</u>	<u>1,011,628</u>
Liabilities				
Long-term Liabilities	126,981,922	80,928,285	-	-
Other Liabilities	13,088,799	10,460,676	479,473	589,616
Total Liabilities	<u>140,070,721</u>	<u>91,388,961</u>	<u>479,473</u>	<u>589,616</u>
Deferred Inflows of Resources				
Deferred Inflows Relating to Pension	2,465,435	-	-	-
Unamortized Bond Issue Premium	-	3,763,436	-	-
Total Liabilities and Deferred Inflows of Resources	<u>142,536,156</u>	<u>95,152,397</u>	<u>479,473</u>	<u>589,616</u>
Net Position				
Net Investment in capital assets	20,437,301	23,901,566	530,506	422,012
Restricted	9,983,246	26,609,926	-	-
Unrestricted	(42,201,258)	(237,189)	-	-
Total Net Position	<u>\$ (11,780,711)</u>	<u>\$ 50,274,303</u>	<u>\$ 530,506</u>	<u>\$ 422,012</u>

The District's largest net position component is the investment in capital assets, net of the related debt portion as shown above. Investment in capital assets, net of related debt represents resources that are subject to external restrictions on how they may be used. Within this category, the investment amount of \$20,437,301 represents primarily the capital investment relating to the \$78,400,000 referendum approved December 10, 1996 and the \$10,500,000 referendum approved December 11, 2001. These funds are legally restricted to provide for the construction and renovations at the District's three middle schools and two high schools. The investment in capital assets, net of related debt, also includes the portion of capital assets not yet fully depreciated at June 30, 2015.

Restricted net position decreased \$16,626,680 from the prior year to \$9,983,246 at June 30, 2015 primarily due to the decrease in the District's capital projects fund of \$15,402,627, a decrease in the capital reserve fund of \$88,680, a decrease in excess surplus of \$210,278, a decrease in excess surplus designated for a subsequent year of \$740,042, and a decrease in the maintenance reserve of \$189,298.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The \$(42,201,258) shown as unrestricted net position for Governmental Activities, compared to \$(237,189) the prior year is due primarily to the GASB 68 pension liability recorded this year.

At the end of the current fiscal year, the District is able to report a positive balance in total net position. The same situation held true for the prior fiscal year.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position for June 30, 2015 and 2014. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the District's Funds' section later in this report.

June 30, 2015

	Governmental Activities	Business- type Activities	Total
Revenues:			
Program revenues:			
Charges for services		\$1,836,651	\$1,836,651
Operating grants and contributions	\$37,764,528	607,731	38,372,259
General revenues:			
Property taxes	132,860,343		132,860,343
Federal and state aid not restricted to specific purposes	19,073,690		19,073,690
Transfers in/(out)	(212,238)	212,238	
Miscellaneous (includes interest and tuition)	697,767	(17,344)	680,423
Total revenue	<u>190,184,090</u>	<u>2,639,276</u>	<u>192,823,366</u>
Expenses:			
Instructional services	114,977,119		114,977,119
Support services	75,490,538	2,530,782	78,021,320
Interest on long-term debt and other bond costs	2,679,964		2,679,964
Total expenses	<u>193,297,644</u>	<u>2,530,782</u>	<u>195,678,403</u>
Increase (decrease) in net position before transfers	(2,963,531)	108,494	(2,855,037)
Change in net position	(2,963,531)	108,494	(2,855,037)
Net Position, beginning, as restated	(8,817,180)	422,012	(8,395,168)
Net Position, ending	<u>(\$11,780,711)</u>	<u>\$530,506</u>	<u>(\$11,250,205)</u>

June 30, 2014

	Governmental Activities	Business- type Activities	Total
Revenues:			
Program revenues:			
Charges for services		\$1,638,063	\$1,638,063
Operating grants and contributions	8,970,931	539,246	9,510,177
General revenues:			
Property taxes	129,932,022		129,932,022
Federal and state aid not restricted to specific purposes	33,610,352		33,610,352
Transfers in/(out)	(300,277)	300,277	
Miscellaneous (includes interest and tuition)	576,754	210,181	786,935
Total revenue	<u>171,602,425</u>	<u>2,687,767</u>	<u>174,290,192</u>

Expenses:			
Instructional services	73,448,697		73,448,697
Support services	95,114,855	2,322,914	97,437,769
Interest on long-term debt and other bond costs	2,726,746		2,726,746
Total expenses	<u>171,290,298</u>	<u>2,322,914</u>	<u>173,613,212</u>
Increase (decrease) in net position before transfers			
	<u>312,127</u>	<u>364,853</u>	<u>676,980</u>
Change in net position	312,127	364,853	676,980
Net Position – Beginning (restated)	<u>49,962,176</u>	<u>57,159</u>	<u>50,019,335</u>
Net Position – ending	<u><u>\$50,274,303</u></u>	<u><u>\$422,012</u></u>	<u><u>\$50,696,315</u></u>

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2015 and 2014 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

June 30, 2015

	<u>Revenue</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2014</u>	<u>Percent of Increase (Decrease)</u>
Local sources:				
District Taxes	\$132,860,343	76.4%	\$2,928,321	2.3%
Miscellaneous	824,598	0.5%	147,785	21.8%
State sources	36,899,408	21.2%	(1,098,226)	-2.9%
Federal sources	<u>3,303,272</u>	<u>1.9%</u>	<u>(18,069)</u>	<u>(.5)%</u>
Total	<u><u>\$173,887,621</u></u>	<u><u>100.0%</u></u>	<u><u>\$1,959,811</u></u>	<u><u>1.1%</u></u>

June 30, 2014

	<u>Revenue</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2013</u>	<u>Percent of Increase (Decrease)</u>
Local sources:				
District Taxes	\$129,932,022	75.6%	\$822,847	.7%
Miscellaneous	676,813	0.4%	(30,935)	(4.3)%
State sources	37,997,634	22.1%	1,924,792	5.3%
Federal sources	3,321,341	1.9%	(843,698)	(20.3)%
Total	<u>\$171,988,810</u>	<u>100.0%</u>	<u>\$1,873,006</u>	<u>1.1%</u>

The increase in taxes was due primarily to the overall tax increase necessary to support the District's General Fund budget.

Miscellaneous revenue increased primarily due to an increase in tuition revenue.

The decrease in State sources is primarily attributable to the increase of the district's state aid for 2014-2015 of \$205,591 the \$2,046,987 increase in on-behalf TPAF contributions and Social Security contributions for the 2014-2015 year, and the \$3,218,099 reduction in recognition of Regular Operating District grants in 2014-2015.

The following schedule presents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2015 and 2014 and the percentage of increases and (decreases) in relation to prior year amounts. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

June 30, 2015:

	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2014</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$75,022,772	38.8%	\$1,629,475	2.2%
Undistributed	92,190,044	47.7%	3,266,727	3.7%
Capital outlay	20,503,667	10.6%	10,130,692	97.7%
Debt service:				
Principal	2,910,000	1.5%	105,000	3.7%
Interest	2,569,255	1.3%	(104,467)	(3.9)%
Total	<u>\$193,195,738</u>	<u>100.0%</u>	<u>\$15,027,427</u>	<u>8.4%</u>

June 30, 2014:

	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2013</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$73,393,297	41.2%	2,272,674	3.2%
Undistributed	88,923,317	49.9%	(61,898)	(.1%)
Capital outlay	10,372,975	5.8%	4,121,007	65.9%
Debt service:				
Principal	2,805,000	1.6%	155,000	5.8%
Interest	<u>2,673,722</u>	<u>1.5%</u>	<u>(205,028)</u>	<u>(7.1%)</u>
Total	<u>\$178,168,311</u>	<u>100.0%</u>	<u>\$6,281,755</u>	<u>3.7%</u>

Instruction costs increased primarily due to negotiated salary increases and additional instructional positions being added. Undistributed expenditures increased primarily due to a \$314,974 increase in required maintenance of school facilities and the addition of technology and improvement of instruction positions.

Capital outlay has increased this year due to the commencement of work on the 2014 referendum projects.

There was a minimal decrease in total debt service based on existing approved bond payment schedules, and a bond advance refunding done in January 2013 that reduced the interest costs on the outstanding debt.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$189,298. This difference is attributable to a transfer from maintenance reserve for unbudgeted electrical repairs of \$189,298.

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2014-2015 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations

- TPAF, which is the state's contribution to the pension fund, is an "on-behalf" revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2014-2015 year and there are some transfers to salary accounts due to a negotiations settlement during the year.
- Transfers were made out of the energy budget accounts to fund budget increases in other areas.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.
- Transfers were made to other employee benefits to increase insurance waiver budget and reclassify some benefit expenses.
- Transfers were made from workers' compensation insurance expense to fund other budget shortfalls. The workers' compensation insurance renewal was lower than the budgeted amount.

Based on the financial results of 2014-2015 unassigned fund balance decreased by \$271,848 to \$3,569,785 (2% required per S-1701, net of allowable adjustments).

Proprietary Funds. The District’s proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed a change in net position of \$108,494 in 2014-2015 as compared to a change in net position of \$364,853 in 2013-2014. The guaranteed profit per the contract with Aramark was \$45,798 for 2014-2015 and \$31,050 with Aramark for 2013-2014. The food service fund has required Board contributions for the past two years; \$212,238 and \$300,277 in 2014-2015 and 2013-2014, respectively. The Board has made significant investments in equipment for the food service operations over the last few years for the implementation of the block lunch schedule at the high schools and the transition from a plated satellite program to a bulk satellite/serving line food service program at the elementary schools. Operating revenues increased by 12% in 2014-2015 while operating expenses increased 9%. However, the food service fund still incurred an operating loss of \$(694,131) in 2014-2015, as compared to an operating loss of \$(684,851) in 2013-2014. Funding from the State and Federal Government under the State and National Programs decreased \$68,425 from 2013-2014 to 2014-2015. An adjustment of \$(17,344) was made to the accumulated depreciation on food service assets in 2014-2015. The unrestricted net position of the food service program was \$0 and the restricted amount invested in capital assets, net of related debt totaled \$530,506 at June 30, 2015. Although the food service operation is still not profitable, the district feels that the investments it is making in the program to improve service, combined with the changes in the operations recommended by its food service consultant, will make the program’s financial results positive over time.

Capital Assets

At June 30, 2015 the District has capital assets of over \$100 million, net of depreciation, which includes land, land improvements, buildings/construction, machinery and equipment and vehicles.

The following provides a summary of the capital assets held by the District at June 30, 2015 and 2014:

June 30, 2015:

	Governmental Activities	Business-Type Activities
Land	\$16,909,500	
Construction in Progress	12,867,413	
Land Improvements	4,489,108	
Buildings / Construction	64,335,324	
Machinery and Equipment	1,742,801	\$530,506
Total	<u>\$100,344,145</u>	<u>\$530,506</u>

June 30, 2014:

	Governmental Activities	Business-Type Activities
Land	\$16,909,500	
Construction in Progress	713,143	
Land Improvements	4,674,593	
Buildings / Construction	63,312,219	
Machinery and Equipment	2,100,364	\$422,012
Total	<u>\$107,837,994</u>	<u>\$422,012</u>

The largest balance within the capital assets above, Buildings/Construction, is comprised of the referendum program for the renovations/additions at the District's three middle schools and two high schools, as well as the construction for the Elementary HVAC Project.

Additional information on the District's capital assets can be found in Note 6 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2015 and 2014, the District's outstanding debt issues included \$72,759,000 and \$75,669,000 respectively of general obligation bonds (2014 issue, 2013 refunding bonds, 2010 refunding bonds, and 2002 bonds), \$5,540,967 and \$5,216,008 respectively of capital leases (Sun Trust Elementary HVAC, High School North Synthetic Turf Field, Savin Copiers, technology leases) and \$3,793,430 and \$3,858,075 respectively in compensated absences payable.

Additional information on the District's debt administration and other obligations can be found in Note 8 to the basic financial statements.

Economic Factors and Subsequent Year's Budgets

- The District anticipates that the approved 2015-2016 budget will be adequate to satisfy all 2015-2016 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- At this time it appears that it will be a challenge to sustain the level of surplus utilization the District has used in funding budgets in recent years. The excess surplus available for use in the 2016-2017 budget is \$1,258,127, \$740,042 less than the \$1,998,169 utilized in the 2014-2015 budget.
- The District made a contribution of \$800,000 to its Capital Reserve for the year ended June 30, 2015. This will improve its ability to fund major capital projects for the 2016-2017 budget year.
- It is expected the State of New Jersey will again delay the final state aid payments to school districts for 2015-2016.
- For 2010-2011, State Aid was drastically reduced by over \$7 million. However, for the 2011-12 budget year the district received an increase of \$1.4 million with an additional increase announced in July 2011 of \$1.4 million. The district's 2012-2013 state aid increase was \$851,022 and the 2013-2014 state aid increase was \$878,222. However, the district's 2014-2015 and 2015-2016 state aid increases were only \$205,591 for each year. There is continued concern about the provisions of the State Aid Formula as the District is currently still receiving "adjustment aid" and it is uncertain whether or not that aid will be sustained by the State over the long-term.
- The District continues to be negatively impacted by legislation known as S-1701, and notably the surplus provisions, which require districts to keep surplus at 2% of their operating budgets or less. This fund balance threshold is precariously low, and forcing a reduction to 2% every year can cause significant fluctuations in school taxes from year to year.
- The District had a demographic study completed in May, 2014 which projects that the District's enrollment will decline approximately 9% over the next five years. The District's 2015-2016 enrollment is higher than this study reflects and is close to the 2014-2015 enrollment.

- The Board has settled contracts with all bargaining units for the 2016-2017 school year except for the Middletown Township Administrator's Association (MTAA).

Requests for Information

This financial report is designed to provide a general overview of the Middletown School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Middletown Board of Education, PO Box 4170, Middletown, NJ 07748.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2015
Cash and Cash Equivalents	\$ 17,267,887	\$ 418,452	\$ 17,686,339
Accounts Receivable	2,225,076	51,659	2,276,735
Inventories	-	9,362	9,362
Restricted Assets:			
Cash and Cash Equivalents	2,936,902	-	2,936,902
Cash on Hand with Fiscal Agent	186,871	-	186,871
Capital Assets, Non-Depreciable (Note 6)	29,776,913	-	29,776,913
Capital Assets, Depreciable, Net (Note 6)	70,567,232	530,506	71,097,738
	<hr/>		
Total Assets	122,960,881	1,009,979	123,970,860
	<hr/>		
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	5,883,049	-	5,883,049
Deferred Charges on Refunding of Debt	1,911,515	-	1,911,515
	<hr/>		
Total Deferred Outflows of Resources	7,794,564	-	7,794,564
	<hr/>		
Total Assets and Deferred Outflows of Resources	130,755,445	1,009,979	131,765,424
	<hr/>		
LIABILITIES			
Accounts Payable	\$ 3,832,855	\$ 421,790	\$ 4,254,645
Intergovernmental Payables:			
State	156,591	-	156,591
Unearned Revenue	3,455,155	57,637	3,512,792
Accrued Salaries and Wages	2,168,949	-	2,168,949
Other Liabilities	-	46	46
Accrued Interest Payable	1,652,736	-	1,652,736
PERS Pension Payable	1,822,513	-	1,822,513
Noncurrent Liabilities (Note 8):			
Due Within One Year	6,255,999	-	6,255,999
Due Beyond One Year	120,725,923	-	120,725,923
	<hr/>		
Total Liabilities	140,070,721	479,473	140,550,194
	<hr/>		
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	2,465,435	-	2,465,435
	<hr/>		
Total Deferred Inflows of Resources	2,465,435	-	2,465,435
	<hr/>		
Total Liabilities and Deferred Inflows of Resources	142,536,156	479,473	143,015,629
	<hr/>		
NET POSITION			
Net Investment in			
Capital Assets	20,437,301	530,506	20,967,807
Restricted For:			
Debt Service	8,642	-	8,642
Capital Projects	4,727,481	-	4,727,481
Other Purposes	5,247,123	-	5,247,123
Unrestricted	(42,201,258)	-	(42,201,258)
	<hr/>		
Total Net Position	\$ (11,780,711)	\$ 530,506	\$ (11,250,205)
	<hr/>		

The accompanying Notes to Financial Statements are an integral part of this statement

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS JUNE 30, 2015
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular	\$ 88,135,821	\$ -	\$ 18,232,371	\$ (69,903,450)	\$ -	\$ (69,903,450)
Special Education	23,992,602	-	4,494,377	(19,498,225)	-	(19,498,225)
Other Instruction	2,848,696	-	412,315	(2,436,381)	-	(2,436,381)
Support Services & Undistributed Costs:						
Tuition	5,890,712	-	-	(5,890,712)	-	(5,890,712)
Attendance & Social Work Services	32,087	-	14,957	(17,130)	-	(17,130)
Health Services	3,447,238	-	521,516	(2,925,722)	-	(2,925,722)
Student & Instruction Related Services	16,781,233	-	4,465,154	(12,316,079)	-	(12,316,079)
Educational Media Services/School Library	683,348	-	103,612	(579,736)	-	(579,736)
Instructional Staff Training	661,419	-	159,810	(501,609)	-	(501,609)
Other Administrative Services	3,125,984	-	497,912	(2,628,072)	-	(2,628,072)
Central Services	2,234,863	-	371,614	(1,863,249)	-	(1,863,249)
Administration Information Technology Services	1,491,562	-	341,644	(1,149,918)	-	(1,149,918)
School Administrative Services	9,383,428	-	1,831,745	(7,551,683)	-	(7,551,683)
Plant Operations & Maintenance	21,768,103	-	4,869,384	(16,898,719)	-	(16,898,719)
Pupil Transportation	9,990,561	-	49,807	(9,940,754)	-	(9,940,754)
Interest on Long-Term Debt and Other Charges	2,679,964	-	1,398,310	(1,281,654)	-	(1,281,654)
Total Governmental Activities	193,147,621	-	37,764,528	(155,383,093)	-	(155,383,093)
Business-Type Activities:						
Food Service	2,530,782	1,836,651	607,731	-	(86,400)	(86,400)
Total Business-Type Activities	2,530,782	1,836,651	607,731	-	(86,400)	(86,400)
Total Primary Government	\$ 195,678,403	\$ 1,836,651	\$ 38,372,259	\$ (155,383,093)	\$ (86,400)	\$ (155,469,493)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 128,779,398	\$ -	\$ 128,779,398
Taxes Levied for Debt Service				4,080,945	-	4,080,945
Federal & State Aid Not Restricted				19,073,690	-	19,073,690
Tuition Received				400,795	-	400,795
Miscellaneous Income				296,972	-	296,972
Total General Revenues				152,631,800	-	152,631,800
Special Items:						
Depreciation Adjustment				-	(17,344)	(17,344)
Total General Revenues, Special Items & Extraordinary Items				152,631,800	(17,344)	152,614,456
Transfers:						
Transfer To Enterprise Fund				(212,238)	-	(212,238)
Transfer From General Fund				-	212,238	212,238
Total Transfers				(212,238)	212,238	-
Change In Net Position				(2,963,531)	108,494	(2,855,037)
Net Position - Beginning of Year, As Restated, See Note 20				(8,817,180)	422,012	(8,395,168)
Net Position - June 30, End of Year				\$ (11,780,711)	\$ 530,506	\$ (11,250,205)

The accompanying Notes to Financial Statements are an integral part of this statement

B. Fund Financial Statements

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Governmental Funds

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2015
Cash and Cash Equivalents	\$ 7,525,776	\$ 173,973	\$ 9,559,496	\$ 8,642	\$ 17,267,887
Accounts Receivable:					
Federal	-	497,232	-	-	497,232
State	1,523,520	11,896	-	-	1,535,416
Interfund	-	-	6,245	-	6,245
Other	42,406	150,022	-	-	192,428
Restricted Assets:					
Cash and Cash Equivalents	2,936,902	-	-	-	2,936,902
Cash on Hand with Fiscal Agent	186,871	-	-	-	186,871
Total Assets	\$ 12,215,475	\$ 833,123	\$ 9,565,741	\$ 8,642	\$ 22,622,981
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,572,483	\$ 276,607	\$ 1,981,021	\$ -	\$ 3,830,111
Intergovernmental Payables:					
State	-	156,591	-	-	156,591
Interfund Payable	8,989	-	-	-	8,989
Unearned Revenue	197,991	399,925	2,857,239	-	3,455,155
Accrued Salaries and Wages	2,168,949	-	-	-	2,168,949
Total Liabilities	3,948,412	833,123	4,838,260	-	9,619,795
Fund Balances:					
Restricted for:					
Excess Surplus	1,052,094	-	-	-	1,052,094
Excess Surplus Designated for Subsequent Year	1,258,127	-	-	-	1,258,127
Capital Reserve	2,232,232	-	-	-	2,232,232
Maintenance Reserve	704,670	-	-	-	704,670
Capital Projects	-	-	4,727,481	-	4,727,481
Debt Service	-	-	-	8,642	8,642
Committed to:					
Other Purposes	59,114	-	-	-	59,114
Assigned to:					
Other Purposes	1,135,223	-	-	-	1,135,223
Unassigned:					
General Fund	1,825,603	-	-	-	1,825,603
Total Fund Balances	8,267,063	-	4,727,481	8,642	13,003,186
Total Liabilities & Fund Balances	\$ 12,215,475	\$ 833,123	\$ 9,565,741	\$ 8,642	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not financial resources and therefore are not reported in the funds. The cost of the assets is \$184,978,027 and the accumulated depreciation is \$84,633,884.	100,344,145
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	5,329,129
Accrued interest payable and PERS pension payable are not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(3,475,249)
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	(126,981,922)
Net Position of Governmental Activities	\$ (11,780,711)

The accompanying Notes to Financial Statements are an integral part of this statement

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2015
Revenues:					
Local Tax Levy	\$ 128,779,398	\$ -	\$ -	\$ 4,080,945	\$ 132,860,343
Tuition	400,795	-	-	-	400,795
Miscellaneous	296,972	126,831	-	-	423,803
State Sources	34,275,323	1,075,752	-	1,398,310	36,749,385
Federal Sources	124,341	3,178,931	-	-	3,303,272
Total Revenues	163,876,829	4,381,514	-	5,479,255	173,737,598
Expenditures:					
Current:					
Regular Instruction	55,249,935	2,371,385	-	-	57,621,320
Special Education Instruction	15,345,997	-	-	-	15,345,997
Other Instruction	2,055,455	-	-	-	2,055,455
Support Services & Undistributed Costs:					
Tuition	5,890,712	-	-	-	5,890,712
Attendance & Social Work Services	3,311	-	-	-	3,311
Health Services	2,443,908	-	-	-	2,443,908
Student & Instruction Related Services	9,964,996	1,920,338	-	-	11,885,334
Educational Media Services/ School Library	484,011	-	-	-	484,011
Instructional Staff Training	353,965	-	-	-	353,965
Other Administrative Services	2,168,065	-	-	-	2,168,065
Central Services	1,519,925	-	-	-	1,519,925
Administration Information Technology Services	917,238	89,791	-	-	1,007,029
School Administrative Services	5,859,386	-	-	-	5,859,386
Plant Operations & Maintenance	12,400,034	-	-	-	12,400,034
Pupil Transportation	9,894,739	-	-	-	9,894,739
Unallocated Benefits	38,279,625	-	-	-	38,279,625
Debt Service:					
Principal	-	-	-	2,910,000	2,910,000
Interest	-	-	-	2,569,255	2,569,255
Capital Outlay	4,706,115	-	15,797,552	-	20,503,667
Total Expenditures	167,537,417	4,381,514	15,797,552	5,479,255	193,195,738
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,660,588)	-	(15,797,552)	-	(19,458,140)
Other Financing Sources/(Uses):					
Capital Leases (Nonbudgeted)	2,442,752	-	-	-	2,442,752
Transfers In	-	-	394,925	-	394,925
Transfers Out	(607,163)	-	-	-	(607,163)
Total Other Financing Sources/ Uses	1,835,589	-	394,925	-	2,230,514
Net Change in Fund Balances	(1,824,999)	-	(15,402,627)	8,642	(17,227,626)
Fund Balance - July 1	10,092,062	-	20,130,108	8,642	30,230,812
Fund Balance - June 30	\$ 8,267,063	\$ -	\$ 4,727,481	\$ 8,642	\$ 13,003,186

The accompanying Notes to Financial Statements are an integral part of this statement

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (17,227,626)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital additions are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset (capital outlay) additions exceeded depreciation in the period:

Depreciation Expense	\$ (5,784,389)	
Capital Additions	<u>18,418,715</u>	12,634,326

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Bonds	2,910,000	
Capital Lease Payments	<u>2,117,793</u>	5,027,793

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Unfunded TPAF Pension Expense	(16,658,730)	
State Share of Undunded TPAF Pension Expense	16,658,730	
Pension Expense - PERS Contribution - 2015	1,821,579	
Pension Expense	<u>(2,633,303)</u>	(811,724)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Bond and Lease Proceeds		(2,442,752)
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Net difference of accrued interest on bonds and capital leases is not recorded in the fund financial statements		(352,834)
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Loss on the early extinguishments of debt, costs of issuance on refunding, and original issue premiums are recorded when incurred in the governmental funds but are accrued and expensed in the statement of activities over the life of the refunding:

Amortization of Loss on Refunding	(100,403)	
Amortization of Original Issue Premium	<u>245,044</u>	144,641

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

		<u>64,645</u>
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Change in Net Position of Governmental Activities (A-2)		<u>\$ (2,963,531)</u>
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Proprietary Funds

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE <hr/> JUNE 30, 2015
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 418,452
Accounts Receivable:	
Due from Other Governments	39,288
Other Receivables	12,371
Inventories	<u>9,362</u>
Total Current Assets	<u>479,473</u>
Capital Assets:	
Furniture, Machinery & Equipment	771,721
Less: Accumulated Depreciation	<u>(241,215)</u>
Total Capital Assets	<u>530,506</u>
Total Assets	<u>1,009,979</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	421,790
Unearned Revenue	57,637
Other Liabilities	<u>46</u>
Total Liabilities	<u>479,473</u>
NET POSITION	
Net Investment in Capital Assets	530,506
Unrestricted	<u>-</u>
Total Net Position	<u>\$ 530,506</u>

The accompanying Notes to Financial Statements are an integral part of this statement

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE <hr/> JUNE 30, 2015
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 975,703
Daily Sales - Nonreimbursable Programs	849,308
Miscellaneous	11,640
	<hr/>
Total Operating Revenues	1,836,651
	<hr/>
Operating Expenses:	
Cost of Sales	942,738
Rebates - Cost of Sales Offset	(122,435)
Salaries	836,118
Employee Benefits	176,361
Cleaning, Repair & Maintenance Services	44,840
Miscellaneous	453,701
General Supplies	154,967
Depreciation	44,492
	<hr/>
Total Operating Expenses	2,530,782
	<hr/>
Operating Income/(Loss)	(694,131)
	<hr/>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	19,963
Federal Sources:	
National School Lunch Program	467,299
National School Breakfast Program	21,769
Food Distribution Program	98,700
Adjustment to Depreciation	(17,344)
	<hr/>
Total Nonoperating Revenues/(Expenses)	590,387
	<hr/>
Operating Transfer In:	
Board Contribution - General Fund	212,238
	<hr/>
Change in Net Position	108,494
Total Net Position - Beginning of Year	422,012
	<hr/>
Total Net Position - Ending of Year	<u>\$ 530,506</u>

The accompanying Notes to Financial Statements are an integral part of this statement

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE <hr/> JUNE 30, 2015
Cash Flows From Operating Activities:	
Receipts from Customers	1,888,655
Payments to Employees	(836,118)
Payments for Employee Benefits	(176,361)
Payments to Suppliers	(1,499,386)
	<hr/>
Net Cash Provided/(Used) by Operating Activities	(623,210)
	<hr/>
Cash Flows From Non-capital Financing Activities:	
State Sources	20,462
Federal Sources	494,545
Transfer from Other Funds	212,238
	<hr/>
Net Cash Provided/(Used) by Non-capital Financing Activities	727,245
	<hr/>
Cash Flows From Capital & Related Financing Activities:	
Acquisition of Capital Assets	(170,330)
	<hr/>
Net Cash Provided/(Used) by Capital & Related Financing Activities	(170,330)
	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	(66,295)
Cash & Cash Equivalents - Beginning of Year	484,747
	<hr/>
Cash & Cash Equivalents - End of Year	<u>\$ 418,452</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (693,508)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Depreciation & Net Amortization	44,492
Food Distribution Program	98,077
(Increase)/Decrease in Accounts Receivable, Net	34,454
(Increase)/Decrease in Inventories	3,417
Vendor Contribution, Based on Guaranteed Profit	17,596
Increase/(Decrease) in Accounts Payable	(127,738)
	<hr/>
Total Adjustments	70,298
	<hr/>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (623,210)</u>

The accompanying Notes to Financial Statements are an integral part of this statement

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Fiduciary Fund

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

	TRUST FUNDS	AGENCY FUNDS	JUNE 30, 2015
ASSETS			
Cash & Cash Equivalents	\$ 1,088,596	\$ 1,252,024	\$ 2,340,620
Interfund Receivable	-	2,744	2,744
Total Assets	1,088,596	1,254,768	2,343,364
LIABILITIES			
Accounts Payable	24,615	-	24,615
Due to Student Groups	-	463,249	463,249
Payroll Deductions & Withholdings Payable	-	791,519	791,519
Total Liabilities	24,615	1,254,768	1,279,383
NET POSITION			
Held in Trust for Unemployment Claims	460,915	-	460,915
Held in Trust for Scholarships	603,066	-	603,066
Total Net Position	\$ 1,063,981	\$ -	\$ 1,063,981

The accompanying Notes to Financial Statements are an integral part of this statement

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>PRIVATE PURPOSE</u>		JUNE 30, 2015
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	
ADDITIONS:			
Contributions:			
Budgeted Appropriation	\$ 150,000	\$ -	\$ 150,000
Other	139,377	35,650	175,027
Total Contributions	<u>289,377</u>	<u>35,650</u>	<u>325,027</u>
Investment Earnings:			
Interest	-	2,512	2,512
Net Investment Earnings	<u>-</u>	<u>2,512</u>	<u>2,512</u>
Total Additions	<u>289,377</u>	<u>38,162</u>	<u>327,539</u>
DEDUCTIONS:			
Quarterly Contribution Reports			
Unemployment Claims	181,633	-	181,633
Scholarships Awarded	-	47,200	47,200
Total Deductions	<u>181,633</u>	<u>47,200</u>	<u>228,833</u>
Change in Net Position	107,744	(9,038)	98,706
Net Position - Beginning of the Year	<u>353,171</u>	<u>612,104</u>	<u>965,275</u>
Net Position - End of the Year	<u>\$ 460,915</u>	<u>\$ 603,066</u>	<u>\$ 1,063,981</u>

The accompanying Notes to Financial Statements are an integral part of this statement

MIDDLETOWN BOARD OF EDUCATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Middletown Township Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits

Reporting Entity

The Middletown Township Board of Education (hereafter referred to as the “District”) is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grades levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District Education has an approximate enrollment at June 30, 2015 of 9,818 students.

The primary criterion for including activities within the District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the District holds the corporate powers of the organization
- ◆ the District appoints a voting majority of the organization’s board
- ◆ the District is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds, Student Activity Funds and Athletic Funds as Agency Funds.

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Budgets/Budgetary Control (continued)

The District made the following approved significant budget transfers during the 2014-2015 year:

<u>Account Number</u>	<u>Amount</u>
11-000-270-514 – Student Transportation Services – Contracted Services (Special Education Students) - Vendors	(\$410,052)
11-204-100-101 – Learning and/or Language Disabilities Salaries of Teachers	(\$415,850)
11-120-100-101 – Regular Programs – Salaries of Teachers – Salaries Of Teachers – Grades 1-5	\$590,248
11-213-100-101 – Resource Room/Resource Center – Salaries Of Teachers	\$460,130

Transfers were made from these budget lines because it was identified that funds were available in these areas to cover unanticipated expenses in other budget lines.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

Cash and Cash Equivalents

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents (continued)

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Capital Assets (continued)

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Machinery and Equipment	3 – 20 Years
Building & Other Improvements	5 – 50 Years
Vehicles	5 – 10 Years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Net Position

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 05, 2015, which is the date the financial statements were available to be issued.

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of June 30, 2015, the District’s bank balance of \$23,751,963 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	514,630
Collateralized by securities held by		
Pledging financial institution		20,903,957
Uninsured and uncollateralized		2,333,376
Total	\$	23,751,963

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 2. Cash Deposits and Investments (continued):

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2015.

Note 3. Reserve Accounts

Capital Reserve

The Middletown Township Board of Education established a capital reserve account by inclusion of \$1.00 on August 22, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 3. Reserve Accounts (continued):

Capital Reserve (continued)

Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. As of June 30, 2015, the District's Long Range Facilities Plan projected total cost is \$274,936,376.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$2,320,912
Increased by:	
Deposits (Per Minute Authorization, June 15, 2015)	800,000
Decreased by:	
Withdrawals (Per 2014-2015 Budget)	<u>(888,680)</u>
Ending Balance, June 30, 2015	<u>\$2,232,232</u>

Maintenance Reserve

The Middletown Township Board of Education established a maintenance reserve account by inclusion of \$1,000,000 on June 30, 2011 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, June 30, 2014	\$893,968
Decreased by:	
Withdrawals	<u>(189,298)</u>
Ending Balance, June 30, 2015	<u>\$704,670</u>

Note 4. Transfers to Capital Projects

During the year ending June 30, 2015, the District transferred \$394,925 to the capital projects fund for NJSCC grants, using capital reserve funds.

Note 5. Accounts Receivable

Accounts Receivable at June 30, 2015 consisted of federal source, state source, local source, and other revenue. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 5. Accounts Receivable (continued):

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Proprietary <u>Funds</u>	<u>Total</u>
Intergovernmental	\$ 1,523,520	\$ 509,128	\$ 39,288	\$ 2,071,936
Other	<u>42,406</u>	<u>150,022</u>	<u>12,371</u>	<u>204,799</u>
 Total	 <u>\$ 1,565,926</u>	 <u>\$ 659,150</u>	 <u>\$ 51,659</u>	 <u>\$ 2,276,735</u>

Intergovernmental Accounts Receivable at June 30, 2015 consisted of Federal source, State Source, Local Source, transportation, and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Business Type <u>Activities</u>
General Fund		
State aid:		
Extraordinary Special Education Aid	\$1,184,154	
TPAF FICA Reimbursement	257,007	
Non Public Transportation	<u>82,359</u>	
	<u>\$1,523,520</u>	
 Special Revenue Fund		
Federal Aid:		
Title I Part A	\$109,873	
Title II Part A	44,593	
Title III Part A	11,289	
Title III Immigrant	6,444	
IDEA Part B Basic Regular	283,101	
IDEA Part B Basic Preschool	41,383	
State aid:		
Home Instruction	<u>12,445</u>	
	<u>\$509,128</u>	
 Proprietary Fund		
Food Service Fund:		
State Source		<u>\$2,049</u>
Federal Source		<u>\$37,239</u>
 Total Intergovernmental Accounts Receivable	 <u>\$2,032,648</u>	 <u>\$39,288</u>

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 6. Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 16,909,500	\$ -	\$ -	\$ 16,909,500
Construction in Progress	713,143	12,154,270		12,867,413
Total capital assets not being depreciated	<u>17,622,643</u>	<u>12,154,270</u>	<u>-</u>	<u>29,776,913</u>
Capital Assets being depreciated:				
Buildings	136,249,270	5,853,675	-	142,102,945
Land Improvements	8,033,752	108,841	-	8,142,593
Machinery & Equipment	4,653,647	301,929	-	4,955,576
Total	<u>148,936,669</u>	<u>6,264,445</u>	<u>-</u>	<u>155,201,114</u>
Less: accumulated depreciation:				
Buildings	(72,937,051)	(4,830,570)	-	(77,767,621)
Land Improvements	(3,359,159)	(294,326)	-	(3,653,485)
Machinery & Equipment	(2,553,283)	(659,493)	-	(3,212,776)
Total	<u>(78,849,493)</u>	<u>(5,784,389)</u>	<u>-</u>	<u>(84,633,882)</u>
Total Capital assets being depreciated, net	<u>70,087,176</u>	<u>480,056</u>	<u>-</u>	<u>70,567,232</u>
Total Governmental Activities capital assets, net	<u>87,709,819</u>	<u>12,634,326</u>	<u>-</u>	<u>100,344,145</u>

The following is a summary of proprietary fund type capital assets at June 30, 2015:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Business-Type Activities:				
Capital Assets being depreciated:				
Machinery & Equipment	\$ 1,016,909	\$ 170,330	\$ (415,518)	\$ 771,721
Total capital assets being depreciated	<u>1,016,909</u>	<u>170,330</u>	<u>(415,518)</u>	<u>771,721</u>
Less: accumulated depreciation:				
Machinery & Equipment	(594,897)	(44,492)	398,174	(241,215)
Total accumulated depreciation	<u>(594,897)</u>	<u>(44,492)</u>	<u>398,174</u>	<u>(241,215)</u>
Total capital assets being depreciated, net	<u>422,012</u>	<u>125,838</u>	<u>(17,344)</u>	<u>530,506</u>
Total Proprietary Funds capital assets, net	<u>\$ 422,012</u>	<u>\$ 125,838</u>	<u>\$ (17,344)</u>	<u>\$ 530,506</u>

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 7. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2015 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 8,989
Capital Projects Fund	6,245	-
Trust & Agency Fund	2,744	-
	<u>\$ 8,989</u>	<u>\$ 8,989</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The following presents a reconciliation of transfers during the 2015 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund		\$607,163
Capital Projects Fund	\$ 394,925	
Food Service Fund	212,238	
	<u>\$ 607,163</u>	<u>\$607,163</u>

The transfer from the general fund to the capital projects fund represents a transfer of capital reserve funds from the general fund as approved in the annual budget statement of purpose. The transfer from the general fund to the food service fund represents a board contribution for the shortfall of operating revenues to expenditures.

Note 8. Long-Term Obligations

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the long-term debt:

	June 30, 2014	Additions	Reductions	June 30, 2015	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 3,858,075	\$ 276,911	\$ (341,556)	\$ 3,793,430	\$ -
General Obligation Bonds	75,669,000	-	(2,910,000)	72,759,000	3,839,000
Obligations Under Capital Lease	5,216,008	2,442,752	(2,117,793)	5,540,967	2,171,955
Unamortized Bond Premium	3,763,436	-	(245,044)	3,518,392	245,044
Net Pension Liability	38,963,308	2,406,825	-	41,370,133	-
Total	<u>\$ 127,469,827</u>	<u>\$ 5,126,488</u>	<u>\$ (5,614,393)</u>	<u>\$ 126,981,922</u>	<u>\$ 6,255,999</u>

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8. Long-Term Obligations

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with state law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

At June 30, 2015, bonds payable consisted of the following individual issues:

Purpose	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
Serial Bonds	4.00%	8/1/2015	\$ 10,500,000	\$ 390,000
Refunding Bonds	4.000% - 5.000%	8/1/2027	55,655,000	45,405,000
Refunding Bonds	2.000% - 4.000%	8/1/2027	7,670,000	7,585,000
Serial Bonds	2.000% - 3.000%	3/15/2033	19,379,000	19,379,000
Total				<u>\$ 72,759,000</u>

Advance Refunding of School Bonds, Series 1997

During February 2001, the Board of Education had a partial defeasance of the 1997 Series Bonds. The Board issued \$67,200,000 of general obligation refunding bonds Series 2001 to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt. In summary, the advance refunding of outstanding callable 1997 school bonds generated \$4,252,286 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$2,908,508, or a net annual present value savings of 4.594%. The bonds are due to mature annually through the 2016 fiscal year at an annual interest of 4.00%

Principal and interest due on Refunding School Bonds, Series 2002 is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	<u>\$390,000</u>	<u>\$7,800</u>	<u>\$397,800</u>
Total	<u>\$390,000</u>	<u>\$7,800</u>	<u>\$397,800</u>

Advance Refunding of School Bonds, Series 2001

During May 2010, the Board of Education had a partial defeasance of the 2001 Series Bonds. The Board issued \$55,665,000 of general obligation refunding bonds Series 2010 to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8. Long-Term Obligations (continued):

Bonds Payable (continued)

As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt. In summary, the advance refunding of outstanding callable 2001 school bonds generated \$8,413,160 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$6,417,302, or a net annual present value savings of 3.2880%. The bonds are due to mature annually through the 2028 fiscal year at annual interest rates ranging from 2.50% to 5.00%.

Principal and interest due on Refunding School Bonds, Series 2010 is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$2,610,000	\$2,197,050	\$4,807,050
2017	2,725,000	2,071,625	4,796,625
2018	2,855,000	1,932,125	4,787,125
2019	2,995,000	1,785,875	4,780,875
2020	3,140,000	1,632,500	4,772,500
2021-2025	18,060,000	5,595,500	23,655,500
2026-2028	<u>13,020,000</u>	<u>996,750</u>	<u>14,016,750</u>
Total	<u>\$45,405,000</u>	<u>\$16,211,425</u>	<u>\$61,616,425</u>

Advance Refunding of School Bonds, Series 2002

During January 2013, the Board of Education had a partial defeasance of the 2002 Series Bonds. The Board issued \$7,767,000 of general obligation refunding bonds Series 2013 to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt.

In summary, the advance refunding of outstanding callable 2002 school bonds generated \$764,846 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$653,867, or a net annual present value savings of 2.1120%. The bonds are due to mature annually through the 2028 fiscal year at annual interest rates ranging from 1.50% to 4.00%.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8. Long-Term Obligations (continued):

Bonds Payable (continued)

Principal and interest due on Refunding School Bonds, Series 2013 is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 40,000	\$ 241,205	\$ 281,205
2017	450,000	234,055	684,055
2018	480,000	220,105	700,105
2019	505,000	205,330	710,330
2020	535,000	187,055	722,055
2021-2025	3,225,000	596,122	3,821,122
2026-2028	<u>2,350,000</u>	<u>108,150</u>	<u>2,458,150</u>
Total	<u>\$7,585,000</u>	<u>\$ 1,792,022</u>	<u>\$9,377,022</u>

In May 2014, the District issued \$19,379,000 of School Bonds for the purpose of financing the renovations to all schools district-wide for roof replacements and geothermal upgrades. The bonds are due to mature annually through the 2030 fiscal year at annual interest rates ranging from 2.00% to 3.00%.

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 799,000	\$ 775,524	\$1,576,524
2017	1,125,000	442,513	1,567,513
2018	1,140,000	419,862	1,559,862
2019	1,160,000	396,863	1,556,863
2020	1,185,000	373,412	1,558,412
2021-2025	6,425,000	1,487,406	7,912,406
2026-2030	<u>7,545,000</u>	<u>579,825</u>	<u>8,124,825</u>
Total	<u>\$19,379,000</u>	<u>\$ 4,477,405</u>	<u>\$23,856,405</u>

Principal and interest due on outstanding bonds is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 3,839,000	\$ 3,223,579	\$ 7,062,579
2017	4,300,000	2,748,192	7,048,192
2018	4,475,000	2,572,092	7,047,092
2019	4,660,000	2,388,067	7,048,067
2020	4,860,000	2,192,967	7,052,967
2021-2025	27,710,000	7,679,028	35,389,028
2026-2030	<u>22,915,000</u>	<u>1,684,725</u>	<u>24,599,725</u>
	<u>\$ 72,759,000</u>	<u>\$ 22,488,650</u>	<u>\$ 95,247,650</u>

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8. Long-Term Obligations (continued):

Obligations Under Capital Leases

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of five to ten years. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2015:

Year-ending June 30,	Amount
2016	\$ 2,188,135
2017	2,276,486
2018	805,460
2019	<u>518,900</u>
Total Minimum Lease Payments	5,788,981
Less: Amount Representing Interest	<u>(248,014)</u>
Present Value of Lease Payments	<u><u>\$ 5,540,967</u></u>

Note 9. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Plans (continued):

Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 1,821,579	100%	\$ 41,370,133
6/30/2014	1,536,107	100%	38,963,308
6/30/2013	1,607,376	100%	-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$41,370,133 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .22096%, which was an increase of .01709% from its proportion measured as of June 30, 2013.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Plans (continued):

Collective Balances at June 30, 2015 and June 30, 2014

	<u>6/30/2015</u>	<u>6/30/2014</u>
Actuarial valuation date	July 1, 2014	July 1, 2013
Deferred Outflows of Resources	\$ 5,883,049	\$ 1,821,579
Deferred Inflows of Resources	\$ 2,465,435	N/A
Net Pension Liability	\$ 41,370,133	\$ 38,963,308
District's portion of the Plan's total Net Pension Liability	0.22096%	0.20387%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$2,633,303. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 1,300,899	\$ -
Net difference between projected and actual earnings on pension plan investments	-	2,465,435
Changes in proportion and differences between District contributions and proportionate share of contributions	2,759,637	-
District contributions subsequent to the measurement date	1,822,513	-
Total	\$ 5,883,049	\$ 2,465,435

\$1,822,513 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30:</u>	<u>PERS</u>
2016	\$ (369,152)
2017	(369,152)
2018	(369,152)
2019	(369,152)
2020	(369,152)
Thereafter	290,884

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Plans (continued):

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40%
	Based on Age
	Thereafter - 3.15-5.40%
	Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male or Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	100.00%	

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Plans (continued):

Discount Rate - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer

Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount</u> <u>Rate (5.39%)</u>	<u>1%</u> <u>Increase</u>
District's proportionate share of the net pension liability	\$ 52,045,036	\$ 41,370,133	\$ 32,405,931

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 9. Pension Plans (continued):

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Plans (continued):

Three-Year Trend Information for TPAF (Paid on behalf of the District)

<u>Year</u> <u>Funding</u>	<u>Post Medical &</u> <u>Pension</u> <u>Cost (APC)</u>	<u>of APC</u> <u>Contributed</u>	<u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 10,136,991	100%	\$ -
6/30/2014	7,989,412	100%	-
6/30/2013	9,789,347	100%	-

Teachers Pensions and Annuity Fund (TPAF) - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Pension Plans (continued):

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	<u>0.00%</u>	3.74%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

C. Defined Contribution Retirement Program (DCRP)

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 9. Pension Plans (continued):

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2015, the District did not apply forfeitures to reduce the District's pension expense.

Note 10. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

Note 11. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 11. Risk Management (continued):

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2014-2015	\$ 150,000	\$ 139,377	\$ 181,633	\$ 460,915
2013-2014	-	136,601	234,906	353,171
2012-2013	-	530,708	200,471	451,476

Note 12. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

The District is also involved in several claims and lawsuits incidental to its operations. The District believes the suits are without merit and intends to vigorously defend its position. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

The State Department of the Treasury, Division of Pensions and Benefits served the district with an assessment for additional employer liability which the district is contesting. The ultimate resolution of the matter could have a material adverse effect on the financial position of the Board, however, the outcome is not determinable as this time.

Note 13. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

Note 14. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(42,201,258) existed as of June 30, 2015 for governmental activities. The primary cause of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred.

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 14. Deficit Unrestricted Net Position (continued):

However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events that place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 15. Fund Balance Appropriated

General Fund – Of the \$8,267,063 General Fund fund balance at June 30, 2015, \$2,232,232 has been restricted for the Capital Reserve Account; \$704,670 has been restricted as maintenance reserve; \$59,114 has been committed for other purposes; \$1,258,127 is restricted for subsequent year’s expenditures; \$1,135,223 has been assigned for other purposes; \$1,052,094 is restricted for excess surplus; and \$1,825,603 is unassigned.

The Middletown Township School District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the Middletown Township School District would first use committed, then assigned and lastly unassigned amounts of restricted fund balance when expenditures are made.

Capital Projects Fund – the total Capital Fund fund balance at June 30, 2015, \$4,727,481 is restricted for Capital Projects use only.

Debt Service Fund – the total Debt Service Fund fund balance at June 30, 2015, \$8,642 is restricted for Debt Service use only.

Note 16. Deferred Compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b), 403(b)(7), and 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

For 403(b):

Metropolitan Life	Lincoln National Life	Lincoln Investment Planning, Inc.
AIG	Security Benefit	AXA Equitable
USAA		

For 403(b)(7):

403(b) ASP	AXA Equitable/Penserve	Security Benefit/NEA value builder
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For 457(b):

AXA Equitable

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 17. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$3,793,430.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the proprietary fund types.

Note 18. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$1,052,094.

Note 19. Subsequent Events

On July 29, 2015, the District entered into an Equipment Lease/Purchase Agreement with a government leasing and finance corporation for the purpose of financing technology equipment. The total principal amount of the lease was \$820,000. The District will make annual principal and interest payments beginning on January 15, 2016 and ending January 15, 2020 at an interest rate of 1.560%.

Management has reviewed and evaluated all events and transactions that accord from June 30, 2015 through December 05, 2015, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 20. Prior Period Adjustment/Restatement of Net Position

Correction of an Error - In the fiscal year ended June 30, 2015, the District determined that the capital asset balance recorded in the prior period was not accurate. The District had an independent appraisal performed in the current fiscal year and adjustment of the prior year balances are required per the independent appraisal report. This caused the District's prior year unrestricted net position to be overstated by \$20,128,175 as of June 30, 2014, resulting in an overstatement of capital assets, and net investment in capital assets for the same amount. The District has corrected this by restating the balances for the fiscal year ended June 30, 2014 as follows:

	Original Balance	Net Adjustment	Restated Balance
Capital Assets, Net	\$ 90,215,351	\$ (20,128,175)	\$ 70,087,176
Net Investment in Capital Assets	<u>23,901,566</u>	<u>(20,128,175)</u>	<u>3,773,391</u>

Change in Accounting Principle - Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	<u>Governmental Activities</u>
Net Position as adjusted for Correction of Error, reported at June 30, 2014	\$ 30,734,558
Prior period adjustment - Implementation of GASB 68:	
Net Pension Liability (measurement date as of June 30, 2013)	(38,963,308)
PERS Pension Payable	(1,821,579)
Deferred Outflows - district contributions made during fiscal year 2014	<u>1,821,579</u>
Total prior period adjustment	<u>(38,963,308)</u>
Net Position as restated, July 1, 2014	<u>\$ (8,228,750)</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
	\$ 128,779,398	\$ -	\$ 128,779,398	\$ -
10-1210 Local Tax Levy	125,000	-	125,000	52,145
10-1320 Tuition from LEAs Within State	125,000	-	125,000	98,650
10-1340 Tuition from Other Sources	-	50,000	50,000	(20,943)
10-1910 Rents and Royalties	-	25,000	25,000	(25,000)
10-1XXX Interest Earned on Capital Reserve Fund	250,000	(75,000)	175,000	92,915
10-1990 Miscellaneous				
Total Local Sources	129,279,398	-	129,279,398	197,767
State Sources:				
10-3121 Categorical Transportation Aid	2,893,232	-	2,893,232	-
10-3132 Categorical Special Education Aid	6,072,259	-	6,072,259	-
10-3176 Equalization Aid	1,001,995	-	1,001,995	-
10-3177 Categorical Security Aid	837,191	-	837,191	-
10-3178 Adjustment Aid	6,899,955	-	6,899,955	-
10-3131 Extraordinary Aid	700,000	-	700,000	484,154
10-3xxx Other State Aids	-	-	-	82,359
Nonbudgeted:				
On-Behalf TPAF Contributions	-	-	-	10,136,991
Reimbursed TPAF Social Security Contributions	-	-	-	5,188,984
Total State Sources	18,404,632	-	18,404,632	15,892,488

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Federal Sources:					
Medicaid Reimbursement	10-4200	74,929	-	74,929	49,412
Total Federal Services		74,929	-	74,929	49,412
Total Revenues		147,758,959	-	147,758,959	16,139,667
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool/Kindergarten	11-110-100-101	2,566,080	15,000	2,581,080	2,581,057
Grades 1 - 5	11-120-100-101	19,437,929	590,248	20,028,177	20,028,063
Grades 6 - 8	11-130-100-101	11,780,765	(337,630)	11,443,135	11,389,951
Grades 9 - 12	11-140-100-101	14,890,656	(203,042)	14,687,614	14,686,876
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	125,000	-	125,000	14,866
Purchased Educational Services	11-150-100-320	47,240	41,000	88,240	19,481
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	11-190-100-106	2,024,390	1,100	2,025,490	1,878,189
Purchased Educational Services	11-190-100-320	133,100	(100,000)	33,100	27,642
Purchased Technical Services	11-190-100-340	338,175	-	338,175	320,626
Travel	11-190-100-580	67,243	16,500	83,743	49,846
General Supplies	11-190-100-610	3,149,939	69,400	3,219,339	3,008,390
Textbooks	11-190-100-640	1,046,425	64,540	1,110,965	1,059,850
Other Objects	11-190-100-890	40,000	567	40,567	40,552
Total Regular Programs - Instruction		55,646,942	157,683	55,804,625	55,249,935

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	1,402,273	(415,850)	986,423	986,367
Other Salaries for Instruction	11-204-100-106	1,189,553	(117,100)	1,072,453	1,019,623
General Supplies	11-204-100-610	19,926	(4,061)	15,865	6,804
Textbooks	11-204-100-640	2,000	-	2,000	-
		2,613,752	(537,011)	2,076,741	2,012,794
Total Learning and/or Language Disabilities					63,947
Behavioral Disabilities:					
Salaries of Teachers	11-209-100-101	191,474	321,557	513,031	512,942
Other Salaries for Instruction	11-209-100-106	194,924	89,000	283,924	283,016
General Supplies	11-209-100-610	14,190	(750)	13,440	2,370
Textbooks	11-209-100-640	1,000	-	1,000	-
		401,588	409,807	811,395	798,328
Total Behavioral Disabilities					13,067
Multiple Disabilities:					
Salaries of Teachers	11-212-100-101	223,006	154,050	377,056	376,978
Other Salaries for Instruction	11-212-100-106	384,176	(71,100)	313,076	313,072
General Supplies	11-212-100-610	5,252	-	5,252	1,341
Textbooks	11-212-100-640	2,000	-	2,000	-
		614,434	82,950	697,384	691,391
Total Multiple Disabilities					5,993
Resource Room/Resource Center					
Salaries of Teachers	11-213-100-101	8,425,148	460,130	8,885,278	8,885,255
Other Salaries for Instruction	11-213-100-106	94,456	-	94,456	191
					23
					94,265

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
General Supplies	7,280	(850)	6,430	3,825	2,605
Textbooks	2,000	-	2,000	-	2,000
Total Resource Room/Resource Center	8,528,884	459,280	8,988,164	8,889,271	98,893
Autism:					
Salaries of Teachers	767,830	-	767,830	733,063	34,767
Other Salaries for Instruction	1,045,254	-	1,045,254	981,271	63,983
General Supplies	16,007	(10,000)	6,007	2,805	3,202
Textbooks	500		500	-	500
Total Autism	1,829,591	(10,000)	1,819,591	1,717,139	102,452
Preschool Disabilities - Full Time:					
Salaries of Teachers	670,855	83,900	754,755	754,740	15
Other Salaries for Instruction	264,869	70,600	335,469	334,936	533
General Supplies	3,500	400	3,900	2,859	1,041
Total Preschool Disabilities - Full Time	939,224	154,900	1,094,124	1,092,535	1,589
Home Instruction:					
Salaries of Teachers	100,000	-	100,000	78,190	21,810
Purchased Educational Services	84,392	20,000	104,392	66,349	38,043
Total Home Instruction -	184,392	20,000	204,392	144,539	59,853
Total Special Education	15,111,865	579,926	15,691,791	15,345,997	345,794

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015		VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
		ORIGINAL BUDGET	FINAL BUDGET	
School Sponsored Cocurricular Activities:				
Salaries	11-401-100-100	470,000	480,000	16
Total School Sponsored Cocurricular Activities		470,000	480,000	16
School Sponsored Athletics - Instruction:				
Salaries	11-402-100-100	902,793	864,793	1,486
Purchased Educational Services	11-402-100-320	-	3,000	932
Supplies and Materials	11-402-100-600	289,203	194,653	56,057
Other Objects	11-402-100-800	371,866	368,866	26,727
Total School Sponsored Athletics - Instruction		1,563,862	1,431,312	85,202
Other Instructional Programs - Instruction:				
Salaries of Teachers	11-421-100-101	272,000	229,734	2,639
Total Other Instructional Programs - Instruction		272,000	229,734	2,639
After Summer School - Instruction:				
Salaries of Teachers	11-422-100-101	-	2,266	-
Total After School Programs - Instruction		-	2,266	-
Total Instruction		73,064,669	73,639,728	988,341

Undistributed Expenditures:
Instruction:
Tuition to Other LEA's -State

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				VARIANCE FINAL TO ACTUAL OVER/ (UNDER)	
	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Regular	11-000-100-561	130,000	(107,000)	23,000	16,125	6,875
Tuition to Other LEA's -State Special	11-000-100-562	1,113,764	(351,015)	762,749	733,734	29,015
Tuition to County Vocational School Districts Regular	11-000-100-563	1,499,480	58,760	1,558,240	1,529,233	29,007
Tuition to County Vocational School Districts Special	11-000-100-564	344,055	(69,980)	274,075	235,510	38,565
Tuition to County Special School Districts & Regional Day Schools	11-000-100-565	430,000	(130,450)	299,550	290,553	8,997
Tuition to Private Schools for the Handicapped - State	11-000-100-566	2,726,516	282,005	3,008,521	2,955,045	53,476
Tuition to Private Schools for the Handicapped - Outside State	11-000-100-567	150,000	(84,000)	66,000	65,900	100
Tuition - State Facilities	11-000-100-568	60,000	4,700	64,700	64,612	88
Total Undistributed Expenditures - Instruction		6,453,815	(396,980)	6,056,835	5,890,712	166,123
Attendance & Social Work Services:						
Salaries	11-000-211-100	46,915	(43,665)	3,250	3,249	1
Travel	11-000-211-580	1,000	-	1,000	62	938
Total Attendance & Social Work Services		47,915	(43,665)	4,250	3,311	939
Health Services:						
Salaries	11-000-213-100	1,660,216	29,500	1,689,716	1,689,635	81
Purchased Professional & Technical Services	11-000-213-300	771,183	1,235	772,418	712,329	60,089

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Purchased Services	11-000-213-500	-	2,500	2,500	-
Supplies and Materials	11-000-213-600	58,659	(26,235)	32,424	12,006
Other Objects	11-000-213-800	35,703	(2,500)	33,203	14,177
Total Health Services		2,525,761	4,500	2,530,261	86,353
Other Support Services - Students - Related Services:					
Salaries	11-000-216-100	1,470,505	(28,800)	1,441,705	55
Purchased Professional - Educational Services	11-000-216-320	1,054,594	247,800	1,302,394	95,584
Supplies and Materials	11-000-216-600	65,108	(37,300)	27,808	1,089
Total Other Support Services - Students - Related Services		2,590,207	181,700	2,771,907	96,728
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	11-000-218-104	1,926,440	40,500	1,966,940	18
Salaries of Secretarial & Clerical Assistants	11-000-218-105	273,192	59,925	333,117	1
Purchased Professional - Educational Services	11-000-218-320	37,500	(10,200)	27,300	100
Total Other Support Services - Students - Regular		2,237,132	90,225	2,327,357	119
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	11-000-219-104	4,024,270	(79,850)	3,944,420	10
Salaries of Secretarial & Clerical					

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
	11-000-219-105	450,247	(99,000)	351,247	480
Assistants					
Purchased Professional - Technical Services	11-000-219-320	311,518	(91,000)	220,518	18,847
Miscellaneous Purchased Services	11-000-219-592	21,163	(5,000)	16,163	10,203
Supplies and Materials	11-000-219-600	58,124	4,600	62,724	9,938
Other Objects	11-000-219-890	5,971	-	5,971	4,740
Total Other Support Services - Students - Special Services		4,871,293	(270,250)	4,601,043	44,218
Improvement of Instruction Services/Other Support Services - Instruction Staff:					
Salaries of Supervisor of Instruction	11-000-221-102	248,309	140,000	388,309	2,553
Supplies and Materials	11-000-221-600	65,590	(32,736)	32,854	12,856
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		313,899	107,264	421,163	15,409
Educational Media Services/School Library:					
Salaries	11-000-222-100	440,404	1,350	441,754	120
Supplies and Materials	11-000-222-600	71,356	(22,118)	49,238	6,861
Total Educational Media Services/School Library		511,760	(20,768)	490,992	6,981
Instructional Staff Training Services:					
Salaries of Other Professional Staff	11-000-223-104	10,000	-	10,000	226
Other Salaries	11-000-223-110	252,815	12,900	265,715	6
Purchased Professional - Educational Services	11-000-223-320	179,530	(137,956)	41,574	4,543

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Purchased Services	11-000-223-500	72,750	(21,879)	50,871	41,451	9,420
Total Instructional Staff Training Services		515,095	(146,935)	368,160	353,965	14,195
Support Services General Administration:						
Salaries	11-000-230-100	1,198,011	19,750	1,217,761	1,217,757	4
Legal Services	11-000-230-331	444,161	(35,000)	409,161	325,219	83,942
Audit Services	11-000-230-332	87,584	(500)	87,084	42,500	44,584
Architecture/Engineering Services	11-000-230-334	-	77,350	77,350	62,604	14,746
Other Professional Services	11-000-230-339	-	6,500	6,500	6,000	500
Purchased Technical Services	11-000-230-340	67,885	(1,300)	66,585	43,740	22,845
Communications/Telephone	11-000-230-530	453,714	(135,700)	318,014	305,857	12,157
Other Purchased Services	11-000-230-585	2,162	1,360	3,522	2,652	870
Misc. Purchased Services	11-000-230-590	2,000	362	2,362	675	1,687
BOE In House Training	11-000-230-630	1,274	101	1,375	1,374	1
Judgments Against School District						
Miscellaneous Expenditures	11-000-230-820	75,000	38,000	113,000	112,282	718
BOE Membership Dues & Fees	11-000-230-890	18,657	2,418	21,075	20,742	333
	11-000-230-895	28,300	(1,050)	27,250	26,663	587
Total Support Services General Administration		2,378,748	(27,709)	2,351,039	2,168,065	182,974
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	3,739,003	(49,000)	3,690,003	3,689,590	413
Salaries of Other Professional Staff	11-000-240-104	508,060	4,000	512,060	512,011	49

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Salaries of Secretarial & Clerical Assistants	11-000-240-105	1,594,201	50,615	1,644,816	1,644,792	24
Other Objects	11-000-240-800	11,500	2,950	14,450	12,993	1,457
Total Support Services School Administration		5,852,764	8,565	5,861,329	5,859,386	1,943
Central Services:						
Salaries	11-000-251-100	1,215,230	40,850	1,256,080	1,256,036	44
Purchased Professional Services	11-000-251-340	66,000	9,500	75,500	75,411	89
Miscellaneous Purchased Services	11-000-251-592	40,822	-	40,822	26,147	14,675
Lease Purchase Interest - Copiers	11-000-251-600	55,000	(2,500)	52,500	37,104	15,396
Interest on Lease Purchase Agreements	11-000-251-832	109,526	-	109,526	109,525	1
Miscellaneous Expenditures	11-000-251-890	16,697	-	16,697	15,702	995
Total Central Services		1,503,275	47,850	1,551,125	1,519,925	31,200
Administrative Information Technology:						
Salaries	11-000-252-100	821,318	52,900	874,218	874,194	24
Purchased Technical Services	11-000-252-340	42,692	(1,190)	41,502	41,302	200
Other Purchased Services	11-000-252-500	-	3,390	3,390	1,742	1,648
Total Administrative Information Technology		864,010	55,100	919,110	917,238	1,872
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	2,092,022	59,300	2,151,322	2,151,290	32
Cleaning, Repair & Maintenance Services	11-000-261-420	344,377	386,679	731,056	599,900	131,156

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Travel	11-000-261-580	2,000	-	2,000	751
General Supplies	11-000-261-610	566,016	(46,907)	519,109	85,837
Total Required Maintenance for School Facilities		3,004,415	399,072	3,403,487	217,776
Custodial Services:					
Salaries	11-000-262-100	3,453,466	78,165	3,531,631	7
Salaries of Non-Instructional Aids	11-000-262-107	440,545	(58,000)	382,545	798
Purchased Professional & Technical Services	11-000-262-300	29,671	(11,800)	17,871	6,399
Cleaning, Repair & Maintenance Services	11-000-262-420	348,596	(37,500)	311,096	523
Other Purchased Property Services	11-000-262-490	185,000	33,500	218,500	191
Insurance	11-000-262-520	1,156,410	33,288	1,189,698	6,545
Travel	11-000-262-580	2,000	-	2,000	1,504
General Supplies	11-000-262-610	414,376	(43,500)	370,876	39,325
Energy (Natural Gas)	11-000-262-621	400,000	25,075	425,075	4
Energy (Electricity)	11-000-262-622	2,007,154	(206,575)	1,800,579	60,014
Other Objects	11-000-262-800	63,700	(50,000)	13,700	2,672
Total Custodial Services		8,500,918	(237,347)	8,263,571	117,982
Care & Upkeep of Grounds:					
Salaries	11-000-263-100	567,338	(37,000)	530,338	972
Cleaning, Repair & Maintenance	11-000-263-420	63,570	-	63,570	7,939
General Supplies	11-000-263-610	105,350	-	105,350	14,263
Total Care & Upkeep of Grounds		736,258	(37,000)	699,258	23,174

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Security:					
Salaries	11-000-266-100	347,871	34,500	382,371	382,367
General Supplies	11-000-266-610	52,336	(40,000)	12,336	9,425
Other Objects	11-000-266-800	-	4,000	4,000	858
Total Security:		400,207	(1,500)	398,707	392,650
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	157,635	950	158,585	158,582
Contracted Services (Between Home & School) - Vendors	11-000-270-511	4,404,194	(75,900)	4,328,294	4,328,122
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	329,465	28,530	357,995	345,637
Contracted Services (Between Home & School) - Joint Agreements	11-000-270-513	806,530	1,470	808,000	807,661
Contracted Services (Special Education Students) - Vendors	11-000-270-514	4,512,025	(410,052)	4,101,973	4,100,996
Contracted Services - Aid in Lieu - Nonpublic Travel	11-000-270-503 11-000-270-580	125,000 862	19,752 -	144,752 862	144,602 862

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
General Supplies	11-000-270-610	2,125	-	2,125	338
Miscellaneous Expenditures	11-000-270-890	15,502	-	15,502	8,801
Total Student Transportation Services		10,353,338	(435,250)	9,918,088	9,894,739
Unallocated Benefits Employee Benefits:					
Social Security Contributions	11-000-291-220	1,700,000	(22,250)	1,677,750	1,677,747
Other Retirement Contributions	11-000-291-241	1,830,000	63,500	1,893,500	1,882,334
Unemployment Compensation	11-000-291-250	150,000	-	150,000	150,000
Workman's Compensation	11-000-291-260	1,293,006	(194,060)	1,098,946	1,098,516
Health Benefits	11-000-291-270	16,751,566	99,000	16,850,566	16,849,121
Other Health Benefits	11-000-291-290	950,000	345,933	1,295,933	1,295,932
Total Unallocated Benefits - Employee Benefits		22,674,572	292,123	22,966,695	22,953,650
Nonbudgeted:					
On-Behalf TPAF Pension Contributions		-	-	-	10,136,991
Reimbursed TPAF Social Security Contributions		-	-	-	5,188,984
Total Undistributed Expenditures		76,335,382	(431,005)	75,904,377	90,179,915
Total Expenditures - Current Expense		149,400,051	144,054	149,544,105	162,831,302
Equipment:					
Grades 1 - 5	12-120-100-730	8,500	(4,500)	4,000	-
Grades 6 - 8	12-130-100-730	18,245	15,478	33,723	23,123
Grades 9 - 12	12-140-100-730	23,712	10,000	33,712	10,701
					4,000
					10,600
					23,011
					(10,136,991)
					(5,188,984)
					(14,275,538)
					(13,287,197)

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:					
Multiple Disabilities	12-212-100-730	25,000	-	25,000	3,000
School Sponsored - Other Instruction Programs	12-402-100-730	53,467	-	53,467	36,204
Undistributed Expenditures:					
General Administration	12-000-230-730	26,744	-	26,744	18,030
Central Services	12-000-251-730	170,000	3,030	173,030	173,030
Noninstructional Services	12-000-300-730	385,524	21,236	406,760	390,641
Total Equipment		711,192	45,244	756,436	654,729
Facilities Acquisition & Construction Services:					
Architecture & Engineering Services	12-000-400-334	131,024	(68,400)	62,624	635
Construction Services	12-000-400-450	1,569,409	(320,280)	1,249,129	465,799
Lease Purchase Agreement - Principal	12-000-400-721	1,115,000	-	1,115,000	1,115,000
Other Objects	12-000-400-800	27,200	-	27,200	27,200
Total Facilities Acquisition & Construction Services		2,842,633	(388,680)	2,453,953	1,608,634
Assets Acquired Under Capital Leases (Non-Budgeted):					
School Administration		-	-	-	2,442,752
Total Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	2,442,752
Total Capital Outlay		3,553,825	(343,436)	3,210,389	4,706,115

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Total Expenditures	152,953,876	(199,382)	152,754,494	167,537,417 (14,782,923)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)	(5,194,917)	199,382	(4,995,535)	(3,638,791) 1,356,744
Other Financing Sources/(Uses):				
Operating Transfers Out:				
Transfer to Charter Schools	(5,000)	-	(5,000)	5,000
Transfer to Capital Projects	-	(388,680)	(388,680)	(394,925) (6,245)
Transfer to Food Service - Board Contribution	-	-	-	(212,238) (212,238)
Capital Leases (Nonbudgeted)	-	-	-	2,442,752 2,442,752
Total Other Financing Sources/(Uses)	(5,000)	(388,680)	(393,680)	1,835,589 2,229,269
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(5,199,917)	(189,298)	(5,389,215)	(1,803,202) 3,586,013
Fund Balances, July 1	11,814,447	-	11,814,447	11,814,447 -

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBERS	JUNE 30, 2015		VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
	ORIGINAL BUDGET	FINAL BUDGET	
Fund Balances, June 30	\$ 6,614,530	\$ 6,425,232	\$ 10,011,245
			\$ 3,586,013

RECAPITULATION OF BUDGET TRANSFERS

Transfer From Maintenance Reserve	\$ 189,298
Total	<u>\$ 189,298</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:		
Capital Reserve	\$ 2,232,232	
Maintenance Reserve	704,670	
Excess Surplus	1,052,094	
Excess Surplus Designated for Subsequent Year's Expenditures	1,258,127	
Committed Fund Balance:		
Year-end Encumbrances	59,114	
Assigned Fund Balance:		
Year-end Encumbrances	1,135,223	
Unassigned Fund Balance	<u>3,569,785</u>	
Subtotal	10,011,245	
Reconciliation to Governmental Funds Statements (GAAP):		
Last State Aid Payments not recognized on GAAP basis	<u>(1,744,182)</u>	
Fund Balance per Governmental Funds (GAAP)	<u>\$ 8,267,063</u>	

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2015**

REVENUES	JUNE 30, 2015				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Local Sources	\$ 100,000	\$ 198,752	\$ 298,752	\$ 126,831	\$ (171,921)
State Sources	1,029,845	187,563	1,217,408	1,075,752	(141,656)
Federal Sources	2,948,416	530,202	3,478,618	3,323,839	(154,779)
Total Revenues	4,078,261	916,517	4,994,778	4,526,422	(468,356)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	253,355	341,939	595,294	546,715	(48,579)
Purchased Professional & Technical Services	-	22,322	22,322	-	(22,322)
Other Purchased Services (400-500 series)	2,512,952	(1,022,993)	1,489,959	1,475,924	(14,035)
General Supplies	114,021	137,394	251,415	189,189	(62,226)
Textbooks	133,066	33,400	166,466	160,779	(5,687)
Other Objects	25,000	(2,975)	22,025	22,025	-
Total Instruction	3,038,394	(490,913)	2,547,481	2,394,632	(152,849)
Support Services:					
Salaries of Other Professional Staff	168,088	11,772	179,860	139,401	(40,459)
Personal Services - Employee Benefits	-	110,210	110,210	110,186	(24)
Purchased Professional - Educational Services	-	891,391	891,391	885,689	(5,702)
Transportation	37,460	2,958	40,418	33,143	(7,275)
Other Purchased Services (400-500 Series)	809,019	187,614	996,633	832,858	(163,775)
Supplies & Materials	-	40,723	40,723	40,282	(441)
Travel	-	440	440	440	-
Total Support Services	1,014,567	1,245,108	2,259,675	2,041,999	(217,676)
Facilities Acquisition & Construction Services:					
Instructional Equipment	25,300	162,322	187,622	89,791	(97,831)
Total Facilities Acquisition & Construction Services	25,300	162,322	187,622	89,791	(97,831)
Total Expenditures	4,078,261	916,517	4,994,778	4,526,422	(468,356)
Total Outflows	4,078,261	916,517	4,994,778	4,526,422	(468,356)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI - BUDGET TO GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 163,898,626	\$ 4,526,422
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(229,853)
Prior Year	-	84,945
The last state aid payment is recognized as revenue for revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense per GASB statement 33.		
Current Year	(1,744,182)	-
Prior Year	1,722,385	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$ 163,876,829	\$ 4,381,514
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 167,537,417	\$ 4,526,422
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Instructional Services	-	(23,247)
Support Services	-	(121,661)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		
	\$ 167,537,417	\$ 4,381,514

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.22096%	0.20387%	N/A							
District's proportionate share of the net pension liability (asset)	\$ 41,370,133	\$ 38,963,308	N/A							
District's covered-employee payroll	\$ 12,798,464	\$ 13,559,453	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	323.24%	287.35%	N/A							
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%	N/A							

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 1,822,513	\$ 1,821,579	**N/A							
Contributions in relation to the contractually required contribution	1,822,513	1,821,579	**N/A							
Contribution deficiency (excess)	\$ -	\$ -	**N/A							
District's covered-employee payroll	\$ 12,798,464	\$ 13,559,453	**N/A							
Contributions as a percentage of covered-employee payroll	14.24%	13.43%	**N/A							

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.71547%	0.71102%	N/A							
State's proportionate share of the net pension liability (asset) associated with the District	\$ 382,394,370	\$ 359,346,441	N/A							
District's covered-employee payroll	\$ 71,362,648	\$ 71,840,310	**N/A							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%	**N/A							

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68) –
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Teachers Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	2014-2015 TITLE I-PART A	2013-2014 TITLE I-PART A	I.D.E.A. PART B 2014-2015	I.D.E.A. PRESCHOOL 2014-2015
Revenues:				
Federal Sources	\$ 334,876	\$ 4,981	\$ 2,706,193	\$ 75,426
Total Revenues	<u>\$ 334,876</u>	<u>\$ 4,981</u>	<u>\$ 2,706,193</u>	<u>\$ 75,426</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 228,822	\$ 2,051	\$ 196,147	\$ 19,553
Other Purchased Services (400-500 Series)	-	-	1,475,924	-
General Supplies	48,670	2,930	30,217	7,957
Total Instruction	<u>277,492</u>	<u>4,981</u>	<u>1,702,288</u>	<u>27,510</u>
Support Services:				
Salaries of Other Professional Staff	-	-	98,074	12,001
Personal Services - Employee Benefits	57,234	-	22,183	2,414
Purchased Professional - Educational Services	-	-	852,188	33,501
Transportation	-	-	31,460	-
Supplies & Materials	150	-	-	-
Total Support Services	<u>57,384</u>	<u>-</u>	<u>1,003,905</u>	<u>47,916</u>
Facilities Acquisition & Construction Services:				
Instructional Equipment	-	-	-	-
Total Facilities Acquisition & Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 334,876</u>	<u>\$ 4,981</u>	<u>\$ 2,706,193</u>	<u>\$ 75,426</u>

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	TITLE IIA EISENHOWER/ MATH	TITLE III 2014-2015	TITLE III IMMIGRANT 2014-2015	TITLE III CURRICULUM CONSORTIUM GRANT	THORNE GRANT	HOCKEY IN MIDDLETOWN
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ 357	\$ 363	\$ 22,599
Federal Sources	169,478	20,023	11,916	-	-	-
Total Revenues	\$ 169,478	\$ 20,023	\$ 11,916	\$ 357	\$ 363	\$ 22,599
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 57,897.00	\$ -	\$ 5,108.00	\$ -	\$ -	\$ -
General Supplies	67	19,010	6,808	357	363	-
Other Objects	-	-	-	-	-	22,025
Total Instruction	57,964	19,010	11,916	357	363	22,025
Support Services:						
Salaries of Other Professional Staff	29,326	-	-	-	-	-
Personal Services - Employee Benefits	28,355	-	-	-	-	-
Transportation	-	-	-	-	-	574
Other Purchased Services (400-500 Series)	13,701	946	1,013	-	-	-
Supplies & Materials	40,132	-	-	-	-	-
Total Support Services	111,514	946	1,013	-	-	574
Facilities Acquisition & Construction Services:						
Instructional/Non Equipment	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-
Total Expenditures	\$ 169,478	\$ 20,023	\$ 11,916	\$ 357	\$ 363	\$ 22,599

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FAIRVIEW GRANT	303	\$	RIVER PLAZA GRANT	2,340	\$	LACROSSE IN MIDDLETOWN	26,351	\$	SAFETY GRANT	68,153	\$	RUTGERS GRANT	440	\$	STEM GRANT	5,925	\$	NEW JERSEY NONPUBLIC TECHNOLOGY AID	85,880	\$	NEW JERSEY NONPUBLIC TEXTBOOK AID	160,779	
Revenue:																								
Local Sources																								
State Sources																								
Total Revenues																								
Expenditures:																								
Instruction:																								
Salaries of Teachers																								
General Supplies																								
Textbooks																								
Total Instruction																								
Support Services:																								
Transportation																								
Other Objects																								
Total Support Services																								
Facilities Acquisition & Construction Services:																								
Instructional Equipment																								
Total Facilities Acquisition & Construction Services																								
Total Expenditures																								

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL PERIOD ENDED JUNE 30, 2015**

	NEW JERSEY NONPUBLIC NURSING AID	NJ NONPUBLIC AUXILIARY SERVICES CHAPTER 192 HOME INSTRUCTION	CHAPTER 192 COMPENSATORY EDUCATION	NJ NONPUBLIC HANDICAPPED SERVICES CHAPTER 193 SUPPLEMENTAL INSTRUCTION	CHAPTER 193 EXAMINATION & CLASSIFICATION	CORRECTIVE SPEECH	2015
Revenue:							
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,831
State Sources	230,041	11,895	240,074	119,589	161,231	66,263	1,075,752
Federal Sources	-	-	-	-	-	-	3,323,839
Total Revenues	\$ 230,041	\$ 11,895	\$ 240,074	\$ 119,589	\$ 161,231	\$ 66,263	\$ 4,526,422
Expenditures:							
Instruction:							
Salaries of Teachers	\$ -	\$ 11,895	\$ -	\$ -	\$ -	\$ -	\$ 546,715
Other Purchased Services (400-500 Series)	-	-	-	-	-	-	1,475,924
General Supplies	-	-	-	-	-	-	189,189
Textbooks	-	-	-	-	-	-	160,779
Other Objects	-	-	-	-	-	-	22,025
Total Instruction	-	11,895	-	-	-	-	2,394,632
Support Services:							
Salaries of Other Professional Staff	-	-	-	-	-	-	139,401
Personal Services - Employee Benefits	-	-	-	-	-	-	110,186
Purchased Professional - Educational Services	-	-	-	-	-	-	885,689
Transportation	-	-	-	-	-	-	33,143
Other Purchased Services (400-500 Series)	230,041	-	240,074	119,589	161,231	66,263	832,858
Supplies & Materials	-	-	-	-	-	-	40,282
Other Objects	-	-	-	-	-	-	440
Total Support Services	230,041	-	240,074	119,589	161,231	66,263	2,041,999
Facilities Acquisition & Construction Services:							
Instructional Equipment	-	-	-	-	-	-	89,791
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	89,791
Total Expenditures	\$ 230,041	\$ 11,895	\$ 240,074	\$ 119,589	\$ 161,231	\$ 66,263	\$ 4,526,422

F. Capital Projects Fund

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>	
SCC Grants: (SCC Managed Projects)					
Roofing Replacement Project	5/27/2014	\$ 17,333,839	\$ 1,297,750	\$ 7,605,599	\$ 8,430,490
Replacement of Telephone System	5/27/2014	711,865	250,574	-	461,291
Upgrades to Geothermal System	5/27/2014	14,965,094	1,294,533	7,533,744	6,136,817
Boiler Replacement Project	5/27/2014	861,665	-	658,209	203,456
Total SCC Grants		<u>33,872,463</u>	<u>2,842,857</u>	<u>15,797,552</u>	<u>15,232,054</u>
Total		<u>\$ 33,872,463</u>	<u>\$ 2,842,857</u>	<u>\$ 15,797,552</u>	<u>\$ 15,232,054</u>

Reconciliation of Fund Balance, June 30, 2015

Unexpended Project Balances, June 30, 2015	\$ 15,232,054
Total Fund Balance (Budgetary Basis) - June 30, 2015	<u>15,232,054</u>
Less: Unexpended State Aid - ROD Grants	<u>(10,504,573)</u>
Total Fund Balance (GAAP Basis) - June 30, 2015	<u>\$ 4,727,481</u>

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources:	
Transfer from Capital Reserve	\$ 394,925
	<hr/>
Total Revenues and Other Financing Sources	394,925
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	974,127
Construction Services	14,823,425
	<hr/>
Total Expenditures and Other Financing Uses	15,797,552
	<hr/>
Excess (Deficiency) of Revenues and Other Financing Sources	
Over (Under) Expenditures and Other Financing Uses	(15,402,627)
	<hr/>
Fund Balance, July 1	20,130,108
	<hr/>
Fund Balance, June 30	\$ 4,727,481
	<hr/> <hr/>

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - HIGH SCHOOL NORTH
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 775,680	\$ -	\$ 775,680	\$ 775,680
Bond Proceeds and Transfers	<u>1,163,520</u>	<u>-</u>	<u>1,163,520</u>	<u>1,163,520</u>
Total Revenues and Other Financing Sources	<u>1,939,200</u>	<u>-</u>	<u>1,939,200</u>	<u>1,939,200</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	9,486	70,234	79,720	79,720
Construction services	<u>-</u>	<u>1,294,149</u>	<u>1,294,149</u>	<u>1,294,149</u>
Total Expenditures and Other Financing Uses	<u>9,486</u>	<u>1,364,383</u>	<u>1,373,869</u>	<u>1,373,869</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 1,929,714</u>	<u>\$ (1,364,383)</u>	<u>\$ 565,331</u>	<u>\$ 565,331</u>
Additional Project Information:				
Project Number	3160-050-14-1019			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 1,163,520			
Bonds Issued	1,163,520			
Original Authorized Cost	1,939,200			
Additional Authorized Cost	-			
Revised Authorized Cost	1,939,200			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	70.85%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2015			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - HIGH SCHOOL SOUTH
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 1,388,063	\$ -	\$ 1,388,063	\$ 1,388,063
Bond Proceeds and Transfers	<u>1,681,196</u>	<u>-</u>	<u>1,681,196</u>	<u>1,681,196</u>
Total Revenues and Other Financing Sources	<u>3,069,259</u>	<u>-</u>	<u>3,069,259</u>	<u>3,069,259</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	136,627	436	137,063	137,063
Construction services	<u>2,504,055</u>	<u>(10,375)</u>	<u>2,493,680</u>	<u>2,493,680</u>
Total Expenditures and Other Financing Uses	<u>2,640,682</u>	<u>(9,939)</u>	<u>2,630,743</u>	<u>2,630,743</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 428,577</u>	<u>\$ 9,939</u>	<u>\$ 438,516</u>	<u>\$ 438,516</u>
Additional Project Information:				
Project Number	3160-053-14-1020			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 2,080,296			
Bonds Issued	2,080,296			
Original Authorized Cost	3,470,159			
Additional Authorized Cost	(400,900)			
Revised Authorized Cost	3,069,259			
Percentage Increase over Original Authorized Cost	-11.55%			
Percentage Completion	85.71%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2014			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - BAYSHORE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 1,070,256	\$ -	\$ 1,070,256	\$ 1,070,256
Bond Proceeds and Transfers	<u>1,605,384</u>	<u>-</u>	<u>1,605,384</u>	<u>1,605,384</u>
Total Revenues and Other Financing Sources	<u>2,675,640</u>	<u>-</u>	<u>2,675,640</u>	<u>2,675,640</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	13,090	96,852	109,942	109,942
Construction services	<u>-</u>	<u>2,008,381</u>	<u>2,008,381</u>	<u>2,008,381</u>
Total Expenditures and Other Financing Uses	<u>13,090</u>	<u>2,105,233</u>	<u>2,118,323</u>	<u>2,118,323</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,662,550</u>	<u>\$ (2,105,233)</u>	<u>\$ 557,317</u>	<u>\$ 557,317</u>
Additional Project Information:				
Project Number	3160-055-14-1022			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 1,605,384			
Bonds Issued	1,605,384			
Original Authorized Cost	2,675,640			
Additional Authorized Cost	-			
Revised Authorized Cost	2,675,640			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	79.17%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2015			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - THOMPSON MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 423,920	\$ -	\$ 423,920	\$ 423,920
Bond Proceeds and Transfers	<u>635,880</u>	<u>-</u>	<u>635,880</u>	<u>635,880</u>
Total Revenues and Other Financing Sources	<u>1,059,800</u>	<u>-</u>	<u>1,059,800</u>	<u>1,059,800</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	41,725	134	41,859	41,859
Construction services	<u>763,886</u>	<u>9,621</u>	<u>773,507</u>	<u>773,507</u>
Total Expenditures and Other Financing Uses	<u>805,611</u>	<u>9,755</u>	<u>815,366</u>	<u>815,366</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 254,189</u>	<u>\$ (9,755)</u>	<u>\$ 244,434</u>	<u>\$ 244,434</u>
Additional Project Information:				
Project Number	3160-057-14-1025			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 635,880			
Bonds Issued	635,880			
Original Authorized Cost	1,059,800			
Additional Authorized Cost	-			
Revised Authorized Cost	1,059,800			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	76.94%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2015			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - THORNE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 668,440	\$ -	\$ 668,440	\$ 668,440
Bond Proceeds and Transfers	<u>802,660</u>	<u>-</u>	<u>802,660</u>	<u>802,660</u>
Total Revenues and Other Financing Sources	<u>1,471,100</u>	<u>-</u>	<u>1,471,100</u>	<u>1,471,100</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	65,796	210	66,006	66,006
Construction services	<u>1,205,651</u>	<u>24,562</u>	<u>1,230,213</u>	<u>1,230,213</u>
Total Expenditures and Other Financing Uses	<u>1,271,447</u>	<u>24,772</u>	<u>1,296,219</u>	<u>1,296,219</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 199,653</u>	<u>\$ (24,772)</u>	<u>\$ 174,881</u>	<u>\$ 174,881</u>
Additional Project Information:				
Project Number	3160-059-14-1027			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 1,002,660			
Bonds Issued	1,002,660			
Original Authorized Cost	1,671,100			
Additional Authorized Cost	(200,000)			
Revised Authorized Cost	1,471,100			
Percentage Increase over Original Authorized Cost	-11.97%			
Percentage Completion	88.11%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2014			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - BAYVIEW ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 459,400	\$ -	\$ 459,400	\$ 459,400
Bond Proceeds and Transfers	<u>689,100</u>	<u>-</u>	<u>689,100</u>	<u>689,100</u>
Total Revenues and Other Financing Sources	<u>1,148,500</u>	<u>-</u>	<u>1,148,500</u>	<u>1,148,500</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	5,619	41,573	47,192	47,192
Construction services	<u>-</u>	<u>862,083</u>	<u>862,083</u>	<u>862,083</u>
Total Expenditures and Other Financing Uses	<u>5,619</u>	<u>903,656</u>	<u>909,275</u>	<u>909,275</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 1,142,881</u>	<u>\$ (903,656)</u>	<u>\$ 239,225</u>	<u>\$ 239,225</u>
Additional Project Information:				
Project Number	3160-060-14-1028			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 689,100			
Bonds Issued	689,100			
Original Authorized Cost	1,148,500			
Additional Authorized Cost	-			
Revised Authorized Cost	1,148,500			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	79.17%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2014			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - FAIRVIEW ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 229,120	\$ -	\$ 229,120	\$ 229,120
Bond Proceeds and Transfers	<u>343,680</u>	<u>-</u>	<u>343,680</u>	<u>343,680</u>
Total Revenues and Other Financing Sources	<u>572,800</u>	<u>-</u>	<u>572,800</u>	<u>572,800</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	2,802	20,567	23,369	23,369
Construction services	<u>-</u>	<u>382,265</u>	<u>382,265</u>	<u>382,265</u>
Total Expenditures and Other Financing Uses	<u>2,802</u>	<u>402,832</u>	<u>405,634</u>	<u>405,634</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 569,998</u>	<u>\$ (402,832)</u>	<u>\$ 167,166</u>	<u>\$ 167,166</u>
Additional Project Information:				
Project Number	3160-090-14-1031			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 343,680			
Bonds Issued	343,680			
Original Authorized Cost	572,800			
Additional Authorized Cost	-			
Revised Authorized Cost	572,800			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	70.82%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2015			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - LEONARDO ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 179,700	\$ -	\$ 179,700	\$ 179,700
Bond Proceeds and Transfers	<u>269,550</u>	<u>-</u>	<u>269,550</u>	<u>269,550</u>
Total Revenues and Other Financing Sources	<u>449,250</u>	<u>-</u>	<u>449,250</u>	<u>449,250</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	2,198	15,971	18,169	18,169
Construction services	<u>-</u>	<u>299,812</u>	<u>299,812</u>	<u>299,812</u>
Total Expenditures and Other Financing Uses	<u>2,198</u>	<u>315,783</u>	<u>317,981</u>	<u>317,981</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 447,052</u>	<u>\$ (315,783)</u>	<u>\$ 131,269</u>	<u>\$ 131,269</u>
Additional Project Information:				
Project Number	3160-110-14-1032			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 269,550			
Bonds Issued	269,550			
Original Authorized Cost	449,250			
Additional Authorized Cost	-			
Revised Authorized Cost	449,250			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	70.78%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2015			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - LINCROFT ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 373,620	\$ -	\$ 373,620	\$ 373,620
Bond Proceeds and Transfers	<u>560,430</u>	<u>-</u>	<u>560,430</u>	<u>560,430</u>
Total Revenues and Other Financing Sources	<u>934,050</u>	<u>-</u>	<u>934,050</u>	<u>934,050</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	36,774	118	36,892	36,892
Construction services	<u>673,692</u>	<u>8,243</u>	<u>681,935</u>	<u>681,935</u>
Total Expenditures and Other Financing Uses	<u>710,466</u>	<u>8,361</u>	<u>718,827</u>	<u>718,827</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 223,584</u>	<u>\$ (8,361)</u>	<u>\$ 215,223</u>	<u>\$ 215,223</u>
Additional Project Information:				
Project Number	3160-120-14-1033			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 560,430			
Bonds Issued	560,430			
Original Authorized Cost	934,050			
Additional Authorized Cost	-			
Revised Authorized Cost	934,050			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	76.96%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2015			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - MIDDLETOWN VILLIAGE ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 51,000	\$ -	\$ 51,000	\$ 51,000
Bond Proceeds and Transfers	<u>76,500</u>	<u>-</u>	<u>76,500</u>	<u>76,500</u>
Total Revenues and Other Financing Sources	<u>127,500</u>	<u>-</u>	<u>127,500</u>	<u>127,500</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	624	4,615	5,239	5,239
Construction services	<u>-</u>	<u>95,703</u>	<u>95,703</u>	<u>95,703</u>
Total Expenditures and Other Financing Uses	<u>624</u>	<u>100,318</u>	<u>100,942</u>	<u>100,942</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 126,876</u>	<u>\$ (100,318)</u>	<u>\$ 26,558</u>	<u>\$ 26,558</u>
Additional Project Information:				
Project Number	3160-130-14-1034			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 76,500			
Bonds Issued	76,500			
Original Authorized Cost	127,500			
Additional Authorized Cost	-			
Revised Authorized Cost	127,500			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	79.17%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2014			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - NAVESINK ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 298,100	\$ -	\$ 298,100	\$ 298,100
Bond Proceeds and Transfers	447,150	-	447,150	447,150
	<u>745,250</u>	<u>-</u>	<u>745,250</u>	<u>745,250</u>
Total Revenues and Other Financing Sources				
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	3,647	27,136	30,783	30,783
Construction services	-	493,901	493,901	493,901
	<u>3,647</u>	<u>521,037</u>	<u>524,684</u>	<u>524,684</u>
Total Expenditures and Other Financing Uses				
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 741,603</u>	<u>\$ (521,037)</u>	<u>\$ 220,566</u>	<u>\$ 220,566</u>
Additional Project Information:				
Project Number	3160-140-14-1035			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 447,150			
Bonds Issued	447,150			
Original Authorized Cost	745,250			
Additional Authorized Cost	-			
Revised Authorized Cost	745,250			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	70.40%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2015			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - NEW MONMOUTH ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 474,720	\$ -	\$ 474,720	\$ 474,720
Bond Proceeds and Transfers	712,080	-	712,080	712,080
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	1,186,800	-	1,186,800	1,186,800
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	5,806	42,960	48,766	48,766
Construction services	-	890,833	890,833	890,833
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	5,806	933,793	939,599	939,599
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 1,180,994</u>	<u>\$ (933,793)</u>	<u>\$ 247,201</u>	<u>\$ 247,201</u>
Additional Project Information:				
Project Number	3160-143-14-1037			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$	712,080		
Bonds Issued		712,080		
Original Authorized Cost		1,186,800		
Additional Authorized Cost		-		
Revised Authorized Cost		1,186,800		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completion		79.17%		
Original Target Completion Date		N/A		
Revised Target Completion Date		8/31/2015		

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - NUT SWAMP ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 296,032	\$ -	\$ 296,032	\$ 296,032
Bond Proceeds and Transfers	444,048	-	444,048	444,048
	<u>740,080</u>	<u>-</u>	<u>740,080</u>	<u>740,080</u>
Total Revenues and Other Financing Sources				
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	3,620	26,977	30,597	30,597
Construction services	-	497,352	497,352	497,352
	<u>3,620</u>	<u>524,329</u>	<u>527,949</u>	<u>527,949</u>
Total Expenditures and Other Financing Uses				
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 736,460</u>	<u>\$ (524,329)</u>	<u>\$ 212,131</u>	<u>\$ 212,131</u>
Additional Project Information:				
Project Number	3160-145-14-1038			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 444,048			
Bonds Issued	444,048			
Original Authorized Cost	740,080			
Additional Authorized Cost	-			
Revised Authorized Cost	740,080			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	71.34%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2015			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - OCEAN AVENUE ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 243,384	\$ -	\$ 243,384	\$ 243,384
Bond Proceeds and Transfers	<u>365,076</u>	<u>-</u>	<u>365,076</u>	<u>365,076</u>
Total Revenues and Other Financing Sources	<u>608,460</u>	<u>-</u>	<u>608,460</u>	<u>608,460</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	23,957	76	24,033	24,033
Construction services	<u>437,716</u>	<u>(25,426)</u>	<u>412,290</u>	<u>412,290</u>
Total Expenditures and Other Financing Uses	<u>461,673</u>	<u>(25,350)</u>	<u>436,323</u>	<u>436,323</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 146,787</u>	<u>\$ 25,350</u>	<u>\$ 172,137</u>	<u>\$ 172,137</u>
Additional Project Information:				
Project Number	3160-080-14-1030			
	3160-160-14-1039			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 365,076			
Bonds Issued	365,076			
Original Authorized Cost	608,460			
Additional Authorized Cost	-			
Revised Authorized Cost	608,460			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	8/31/2015			
Original Target Completion Date	N/A			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT - RIVER PLAZA ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 242,460	\$ -	\$ 242,460	\$ 242,460
Bond Proceeds and Transfers	<u>363,690</u>	<u>-</u>	<u>363,690</u>	<u>363,690</u>
Total Revenues and Other Financing Sources	<u>606,150</u>	<u>-</u>	<u>606,150</u>	<u>606,150</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	2,965	22,115	25,080	25,080
Construction services	<u>-</u>	<u>404,521</u>	<u>404,521</u>	<u>404,521</u>
Total Expenditures and Other Financing Uses	<u>2,965</u>	<u>426,636</u>	<u>429,601</u>	<u>429,601</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 603,185</u>	<u>\$ (426,636)</u>	<u>\$ 176,549</u>	<u>\$ 176,549</u>
Additional Project Information:				
Project Number	3160-160-14-1039			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 363,690			
Bonds Issued	363,690			
Original Authorized Cost	606,150			
Additional Authorized Cost	-			
Revised Authorized Cost	606,150			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	70.87%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2014			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - HIGH SCHOOL NORTH
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 61,566	\$ -	\$ 61,566	\$ 61,566
Transfer from Capital Reserve	68,872	-	68,872	68,872
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	130,438	-	130,438	130,438
Expenditures and Other Financing Uses:				
Construction services	-	-	-	-
	114,786	-	114,786	114,786
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	114,786	-	114,786	114,786
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 15,652</u>	<u>\$ -</u>	<u>\$ 15,652</u>	<u>\$ 15,652</u>
Additional Project Information:				
Project Number	3160-050-14-1001			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 153,916			
Additional Authorized Cost	-			
Revised Authorized Cost	153,916			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - HIGH SCHOOL SOUTH
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 52,965	\$ -	\$ 52,965	\$ 52,965
Transfer from Capital Reserve	59,249	-	59,249	59,249
Total Revenues and Other Financing Sources	<u>112,214</u>	<u>-</u>	<u>112,214</u>	<u>112,214</u>
Expenditures and Other Financing Uses:				
Construction services	-	-	98,749	98,749
Total Expenditures and Other Financing Uses	<u>98,749</u>	<u>-</u>	<u>98,749</u>	<u>98,749</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 13,465</u>	<u>\$ -</u>	<u>\$ 13,465</u>	<u>\$ 13,465</u>
Additional Project Information:				
Project Number	3160-053-14-1002			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 132,412			
Additional Authorized Cost	-			
Revised Authorized Cost	132,412			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - BAYSHORE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 42,656	\$ -	\$ 42,656	\$ 42,656
Transfer from Capital Reserve	47,717	-	47,717	47,717
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	90,373	-	90,373	90,373
Expenditures and Other Financing Uses:				
Construction services	79,528	-	79,528	79,528
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	79,528	-	79,528	79,528
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 10,845</u>	<u>\$ -</u>	<u>\$ 10,845</u>	<u>\$ 10,845</u>
Additional Project Information:				
Project Number	3160-055-14-1003			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 106,639			
Additional Authorized Cost	-			
Revised Authorized Cost	106,639			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - THOMPSON MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 23,182	\$ -	\$ 23,182	\$ 23,182
Transfer from Capital Reserve	25,933	-	25,933	25,933
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	49,115	-	49,115	49,115
Expenditures and Other Financing Uses:				
Construction services	43,222	-	43,222	43,222
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	43,222	-	43,222	43,222
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 5,893</u>	<u>\$ -</u>	<u>\$ 5,893</u>	<u>\$ 5,893</u>
Additional Project Information:				
Project Number	3160-057-14-1004			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 57,956			
Additional Authorized Cost	-			
Revised Authorized Cost	57,956			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - THORNE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 22,983	\$ -	\$ 22,983	\$ 22,983
Transfer from Capital Reserve	25,710	-	25,710	25,710
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	48,693	-	48,693	48,693
Expenditures and Other Financing Uses:				
Construction services	42,850	-	42,850	42,850
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	42,850	-	42,850	42,850
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 5,843</u>	<u>\$ -</u>	<u>\$ 5,843</u>	<u>\$ 5,843</u>
Additional Project Information:				
Project Number	3160-059-14-1005			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 57,458			
Additional Authorized Cost	-			
Revised Authorized Cost	57,458			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - BAYVIEW ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 13,335	\$ -	\$ 13,335	\$ 13,335
Transfer from Capital Reserve	14,918	-	14,918	14,918
Total Revenues and Other Financing Sources	28,253	-	28,253	28,253
Expenditures and Other Financing Uses:				
Construction services	24,862	-	24,862	24,862
Total Expenditures and Other Financing Uses	24,862	-	24,862	24,862
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 3,391	\$ -	\$ 3,391	\$ 3,391
Additional Project Information:				
Project Number	3160-060-14-1006			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 33,338			
Additional Authorized Cost	-			
Revised Authorized Cost	33,338			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - FAIRVIEW ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 9,988	\$ -	\$ 9,988	\$ 9,988
Transfer from Capital Reserve	11,174	-	11,174	11,174
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	21,162	-	21,162	21,162
Expenditures and Other Financing Uses:				
Construction services	18,623	-	18,623	18,623
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	18,623	-	18,623	18,623
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,539</u>	<u>\$ -</u>	<u>\$ 2,539</u>	<u>\$ 2,539</u>
Additional Project Information:				
Project Number	3160-090-14-1008			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 24,971			
Additional Authorized Cost	-			
Revised Authorized Cost	24,971			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - HARMONY ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 13,534	\$ -	\$ 13,534	\$ 13,534
Transfer from Capital Reserve	15,139	-	15,139	15,139
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	28,673	-	28,673	28,673
Expenditures and Other Financing Uses:				
Construction services	25,232	-	25,232	25,232
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	25,232	-	25,232	25,232
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 3,441</u>	<u>\$ -</u>	<u>\$ 3,441</u>	<u>\$ 3,441</u>
Additional Project Information:				
Project Number	3160-095-14-1009			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 33,834			
Additional Authorized Cost	-			
Revised Authorized Cost	33,834			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - LEONARDO ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 9,790	\$ -	\$ 9,790	\$ 9,790
Transfer from Capital Reserve	10,951	-	10,951	10,951
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	20,741	-	20,741	20,741
Expenditures and Other Financing Uses:				
Construction services	18,252	-	18,252	18,252
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	18,252	-	18,252	18,252
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,489</u>	<u>\$ -</u>	<u>\$ 2,489</u>	<u>\$ 2,489</u>
Additional Project Information:				
Project Number	3160-110-14-1010			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 24,474			
Additional Authorized Cost	-			
Revised Authorized Cost	24,474			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - LINCROFT ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 10,187	\$ -	\$ 10,187	\$ 10,187
Transfer from Capital Reserve	11,396	-	11,396	11,396
Total Revenues and Other Financing Sources	21,583	-	21,583	21,583
Expenditures and Other Financing Uses:				
Construction services	18,993	-	18,993	18,993
Total Expenditures and Other Financing Uses	18,993	-	18,993	18,993
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 2,590	\$ -	\$ 2,590	\$ 2,590
Additional Project Information:				
Project Number	3160-120-14-1011			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 25,468			
Additional Authorized Cost	-			
Revised Authorized Cost	25,468			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - MIDDLETOWN VILLIAGE ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 10,382	\$ -	\$ 10,382	\$ 10,382
Transfer from Capital Reserve	11,613	-	11,613	11,613
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	21,995	-	21,995	21,995
Expenditures and Other Financing Uses:				
Construction services	19,356	-	19,356	19,356
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	19,356	-	19,356	19,356
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,639</u>	<u>\$ -</u>	<u>\$ 2,639</u>	<u>\$ 2,639</u>
Additional Project Information:				
Project Number	3160-130-14-1012			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 25,954			
Additional Authorized Cost	-			
Revised Authorized Cost	25,954			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - NAVESINK ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 8,796	\$ -	\$ 8,796	\$ 8,796
Transfer from Capital Reserve	9,839	-	9,839	9,839
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	18,635	-	18,635	18,635
Expenditures and Other Financing Uses:				
Construction services	16,399	-	16,399	16,399
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	16,399	-	16,399	16,399
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,236</u>	<u>\$ -</u>	<u>\$ 2,236</u>	<u>\$ 2,236</u>
Additional Project Information:				
Project Number	3160-140-14-1013			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 21,989			
Additional Authorized Cost	-			
Revised Authorized Cost	21,989			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - NEW MONMOUTH ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 15,521	\$ -	\$ 15,521	\$ 15,521
Transfer from Capital Reserve	17,362	-	17,362	17,362
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	32,883	-	32,883	32,883
Expenditures and Other Financing Uses:				
Construction services	28,937	-	28,937	28,937
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	28,937	-	28,937	28,937
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 3,946</u>	<u>\$ -</u>	<u>\$ 3,946</u>	<u>\$ 3,946</u>
Additional Project Information:				
Project Number	3160-143-14-1014			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 38,802			
Additional Authorized Cost	-			
Revised Authorized Cost	38,802			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - NUT SWAMP ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 12,938	\$ -	\$ 12,938	\$ 12,938
Transfer from Capital Reserve	14,473	-	14,473	14,473
Total Revenues and Other Financing Sources	27,411	-	27,411	27,411
Expenditures and Other Financing Uses:				
Construction services	24,122	-	24,122	24,122
Total Expenditures and Other Financing Uses	24,122	-	24,122	24,122
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 3,289	\$ -	\$ 3,289	\$ 3,289
Additional Project Information:				
Project Number	3160-145-14-1015			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 32,345			
Additional Authorized Cost	-			
Revised Authorized Cost	32,345			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - OCEAN AVENUE ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 9,988	\$ -	\$ 9,988	\$ 9,988
Transfer from Capital Reserve	11,174	-	11,174	11,174
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	21,162	-	21,162	21,162
Expenditures and Other Financing Uses:				
Construction services	18,623	-	18,623	18,623
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	18,623	-	18,623	18,623
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,539</u>	<u>\$ -</u>	<u>\$ 2,539</u>	<u>\$ 2,539</u>
Additional Project Information:				
Project Number	3160-080-14-1007			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 24,971			
Additional Authorized Cost	-			
Revised Authorized Cost	24,971			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - PORT MONMOUTH ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 8,597	\$ -	\$ 8,597	\$ 8,597
Transfer from Capital Reserve	9,617	-	9,617	9,617
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	18,214	-	18,214	18,214
Expenditures and Other Financing Uses:				
Construction services	16,028	-	16,028	16,028
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	16,028	-	16,028	16,028
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,186</u>	<u>\$ -</u>	<u>\$ 2,186</u>	<u>\$ 2,186</u>
Additional Project Information:				
Project Number	3160-150-14-1016			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 21,492			
Additional Authorized Cost	-			
Revised Authorized Cost	21,492			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
REPLACEMENT OF TELEPHONE SYSTEM - RIVER PLAZA ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 9,591	\$ -	\$ 9,591	\$ 9,591
Transfer from Capital Reserve	10,729	-	10,729	10,729
Total Revenues and Other Financing Sources	<u>20,320</u>	<u>-</u>	<u>20,320</u>	<u>20,320</u>
Expenditures and Other Financing Uses:				
Construction services	17,882	-	17,882	17,882
Total Expenditures and Other Financing Uses	<u>17,882</u>	<u>-</u>	<u>17,882</u>	<u>17,882</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,438</u>	<u>\$ -</u>	<u>\$ 2,438</u>	<u>\$ 2,438</u>
Additional Project Information:				
Project Number	3160-160-14-1017			
Grant Date	5/27/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 23,978			
Additional Authorized Cost	-			
Revised Authorized Cost	23,978			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	88%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
UPGRADES TO GEOTHERMAL SYSTEM - HIGH SCHOOL NORTH
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 1,349,890	\$ -	\$ 1,349,890	\$ 1,349,890
Bond Proceeds and Transfers	<u>2,024,835</u>	<u>-</u>	<u>2,024,835</u>	<u>2,024,835</u>
Total Revenues and Other Financing Sources	<u>3,374,725</u>	<u>-</u>	<u>3,374,725</u>	<u>3,374,725</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	31,717	210,832	242,549	242,549
Construction services	<u>-</u>	<u>2,955,000</u>	<u>2,955,000</u>	<u>2,955,000</u>
Total Expenditures and Other Financing Uses	<u>31,717</u>	<u>3,165,832</u>	<u>3,197,549</u>	<u>3,197,549</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 3,343,008</u>	<u>\$ (3,165,832)</u>	<u>\$ 177,176</u>	<u>\$ 177,176</u>
Additional Project Information:				
Project Number	3160-050-14-1018			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 2,024,835			
Bonds Issued	2,024,835			
Original Authorized Cost	3,374,725			
Additional Authorized Cost	-			
Revised Authorized Cost	3,374,725			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	94.75%			
Original Target Completion Date	8/31/2015			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
UPGRADES TO GEOTHERMAL SYSTEM - HIGH SCHOOL SOUTH
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 1,655,918	\$ -	\$ 1,655,918	\$ 1,655,918
Bond Proceeds and Transfers	<u>2,583,877</u>	<u>-</u>	<u>2,583,877</u>	<u>2,583,877</u>
Total Revenues and Other Financing Sources	<u>4,239,795</u>	<u>-</u>	<u>4,239,795</u>	<u>4,239,795</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	290,751	(5,419)	285,332	285,332
Construction services	<u>3,824,000</u>	<u>-</u>	<u>3,824,000</u>	<u>3,824,000</u>
Total Expenditures and Other Financing Uses	<u>4,114,751</u>	<u>(5,419)</u>	<u>4,109,332</u>	<u>4,109,332</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 125,044</u>	<u>\$ 5,419</u>	<u>\$ 130,463</u>	<u>\$ 130,463</u>
Additional Project Information:				
Project Number	3160-053-14-1021			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 2,483,877			
Bonds Issued	2,483,877			
Original Authorized Cost	4,139,795			
Additional Authorized Cost	100,000			
Revised Authorized Cost	4,239,795			
Percentage Increase over Original Authorized Cost	2.42%			
Percentage Completion	96.92%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
UPGRADES TO GEOTHERMAL SYSTEM - BAYSHORE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 855,308	\$ -	\$ 855,308	\$ 855,308
Bond Proceeds and Transfers	<u>1,782,962</u>	<u>-</u>	<u>1,782,962</u>	<u>1,782,962</u>
Total Revenues and Other Financing Sources	<u>2,638,270</u>	<u>-</u>	<u>2,638,270</u>	<u>2,638,270</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	154,566	5,399	159,965	159,965
Construction services	<u>2,431,000</u>	<u>-</u>	<u>2,431,000</u>	<u>2,431,000</u>
Total Expenditures and Other Financing Uses	<u>2,585,566</u>	<u>5,399</u>	<u>2,590,965</u>	<u>2,590,965</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 52,704</u>	<u>\$ (5,399)</u>	<u>\$ 47,305</u>	<u>\$ 47,305</u>
Additional Project Information:				
Project Number	3160-055-14-1023			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 1,282,962			
Bonds Issued	1,282,962			
Original Authorized Cost	2,138,270			
Additional Authorized Cost	500,000			
Revised Authorized Cost	2,638,270			
Percentage Increase over Original Authorized Cost	23.38%			
Percentage Completion	98.21%			
Original Target Completion Date	8/31/2014			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
UPGRADES TO GEOTHERMAL SYSTEM - THOMPSON MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 942,461	\$ -	\$ 942,461	\$ 942,461
Bond Proceeds and Transfers	1,413,691	-	1,413,691	1,413,691
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	2,356,152	-	2,356,152	2,356,152
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	24,608	145,966	170,574	170,574
Construction services	-	2,038,000	2,038,000	2,038,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	24,608	2,183,966	2,208,574	2,208,574
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,331,544</u>	<u>\$ (2,183,966)</u>	<u>\$ 147,578</u>	<u>\$ 147,578</u>
Additional Project Information:				
Project Number	3160-057-14-1024			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 1,413,691			
Bonds Issued	1,413,691			
Original Authorized Cost	2,356,152			
Additional Authorized Cost	-			
Revised Authorized Cost	2,356,152			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	93.74%			
Original Target Completion Date	8/31/2015			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
UPGRADES TO GEOTHERMAL SYSTEM - THORNE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 942,461	\$ -	\$ 942,461	\$ 942,461
Bond Proceeds and Transfers	1,413,691	-	1,413,691	1,413,691
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	2,356,152	-	2,356,152	2,356,152
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	24,608	145,966	170,574	170,574
Construction services	-	2,038,000	2,038,000	2,038,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	24,608	2,183,966	2,208,574	2,208,574
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<hr/> <u>\$ 2,331,544</u>	<hr/> <u>\$ (2,183,966)</u>	<hr/> <u>\$ 147,578</u>	<hr/> <u>\$ 147,578</u>
Additional Project Information:				
Project Number	3160-059-14-1026			
Grant Date	5/27/2014			
Bond Authorization Date	5/29/2014			
Bonds Authorized	\$ 1,413,691			
Bonds Issued	1,413,691			
Original Authorized Cost	2,356,152			
Additional Authorized Cost	-			
Revised Authorized Cost	2,356,152			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	93.74%			
Original Target Completion Date	8/31/2015			
Revised Target Completion Date	N/A			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
BOILER REPLACEMENT PROJECT - NEW MONMOUTH ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 244,880	\$ -	\$ 244,880	\$ 244,880
Transfer from Capital Reserve	-	216,188	216,188	216,188
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	244,880	216,188	461,068	461,068
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	-	67,330	67,330	67,330
Construction services	-	292,984	292,984	292,984
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	-	360,314	360,314	360,314
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 244,880</u>	<u>\$ (144,126)</u>	<u>\$ 100,754</u>	<u>\$ 100,754</u>
 Additional Project Information:				
Project Number	3160-143-14-1036			
Grant Date	05/27/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 612,200			
Additional Authorized Cost	-			
Revised Authorized Cost	612,200			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	78.15%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2015			

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
BOILER REPLACEMENT PROJECT - OCEAN AVENUE ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources -- SCC Grant	\$ 221,860	\$ -	\$ 221,860	\$ 221,860
Transfer from Capital Reserve	-	178,737	178,737	178,737
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	221,860	178,737	400,597	400,597
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	-	34,079	34,079	34,079
Construction services	-	263,816	263,816	263,816
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	-	297,895	297,895	297,895
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 221,860</u>	<u>\$ (119,158)</u>	<u>\$ 102,702</u>	<u>\$ 102,702</u>
Additional Project Information:				
Project Number	3160-080-14-1029			
Grant Date	05/27/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 554,650			
Additional Authorized Cost	-			
Revised Authorized Cost	554,650			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	74.36%			
Original Target Completion Date	N/A			
Revised Target Completion Date	8/31/2015			

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G. Proprietary Funds

This section has already been included in Statements B-4, B-5, and B-6.

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Enterprise Funds

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H. Fiduciary Fund

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	TRUST		AGENCY			2015
	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP FUND	PAYROLL FUND	STUDENT ACTIVITY FUND	ATHLETIC FUND	
Cash & Cash Equivalents	\$ 485,530	\$ 603,066	\$ 788,775	\$ 460,589	\$ 2,660	\$ 2,340,620
Interfund Receivable	-	-	2,744	-	-	2,744
Total Assets	485,530	603,066	791,519	460,589	2,660	2,343,364
LIABILITIES						
Accounts Payable	24,615	-	-	-	-	24,615
Payable for Student Related Activities	-	-	-	460,589	2,660	463,249
Payroll Deductions & Withholdings	-	-	791,519	-	-	791,519
Total Liabilities	24,615	-	791,519	460,589	2,660	1,279,383
Held in Trust for Unemployment Claims & Other Purposes	460,915	-	-	-	-	460,915
Reserved for Scholarships	-	603,066	-	-	-	603,066
Total Net Position	\$ 460,915	\$ 603,066	\$ -	\$ -	\$ -	\$ 1,063,981

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS	PRIVATE PURPOSE		2015
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	
Contributions:			
Budgeted Appropriation	\$ 150,000	\$ -	\$ 150,000
Other	139,377	35,650	175,027
Total Contributions	289,377	35,650	325,027
Investment Earnings:			
Interest	-	2,512	2,512
Net Investment Earnings	-	2,512	2,512
Total Additions	289,377	38,162	327,539
 DEDUCTIONS			
Unemployment Claims	181,633	-	181,633
Scholarship Payments	-	47,200	47,200
Total Deductions	181,633	47,200	228,833
Change in Net Position	107,744	(9,038)	98,706
Net Position, July 1	353,171	612,104	965,275
Net Position, June 30	\$ 460,915	\$ 603,066	\$ 1,063,981

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	JUNE 30, 2015
Elementary Schools:				
Bayview	\$ 2,545	\$ 7,572	\$ 8,422	\$ 1,695
Fairview	4,117	4,086	6,647	1,556
Harmony	2,753	16,458	15,466	3,745
Leonardo	1,311	5,060	4,159	2,212
Lincroft	1,589	19,516	20,383	722
Middletown Village	2,803	8,097	7,598	3,302
Navesink	6,784	20,648	23,940	3,492
New Monmouth	8,569	7,857	9,439	6,987
Nutswamp	22,238	38,159	29,600	30,797
Ocean Avenue	2,022	11,019	10,596	2,445
Port Monmouth	305	1,727	1,492	540
River Plaza	3,754	10,493	10,112	4,135
Total Elementary Schools	58,790	150,692	147,854	61,628
Middle Schools				
Bayshore	24,556	68,396	72,325	20,627
Thompson	36,910	116,152	108,078	44,984
Thorne	23,067	102,430	106,535	18,962
Total Middle Schools	84,533	286,978	286,938	84,573
High Schools:				
North	206,557	356,745	349,263	214,039
South	116,659	332,223	348,533	100,349
Total High Schools	323,216	688,968	697,796	314,388
Total All Schools	\$ 466,539	\$ 1,126,638	\$ 1,132,588	\$ 460,589

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 785,626	\$ 103,824,262	\$ 103,821,113	\$ 788,775
Interfund Receivable	2,351	2,351	2,744	2,744
Total Assets	\$ 787,977	\$ 103,826,613	\$ 103,823,857	\$ 791,519
LIABILITIES				
Payroll Deductions & Withholdings	\$ 787,977	\$ 103,821,911	\$ 103,818,369	\$ 791,519
Total Liabilities	\$ 787,977	\$ 103,821,911	\$ 103,818,369	\$ 791,519

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
ATHLETIC AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	RECEIPTS	DISBURSEMENTS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 4,445	\$ 279,326	\$ 281,111	\$ 2,660
Total Assets	<u>\$ 4,445</u>	<u>\$ 279,326</u>	<u>\$ 281,111</u>	<u>\$ 2,660</u>
LIABILITIES				
Payable for Student Related Activities	\$ 4,445	\$ 279,326	\$ 281,111	\$ 2,660
Total Liabilities	<u>\$ 4,445</u>	<u>\$ 279,326</u>	<u>\$ 281,111</u>	<u>\$ 2,660</u>

I. Long-Term Debt

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2015	
			DATE	AMOUNT						
Buildings, Alterations & Renovations (Refunding Issue - 2010)	05/11/10	\$ 55,665,000	8/1/2015	\$ 1,590,000	4.000%	\$ 47,915,000	\$ -	\$ 2,510,000	\$ 45,405,000	
			8/1/2015	1,020,000	5.000%					
			8/1/2016	2,725,000	5.000%					
			8/1/2017	2,855,000	5.000%					
			8/1/2018	2,995,000	5.000%					
			8/1/2019	3,140,000	5.000%					
			8/1/2020	3,290,000	5.000%					
			8/1/2021	3,440,000	5.000%					
			8/1/2022	3,605,000	5.000%					
			8/1/2023	3,770,000	5.000%					
			8/1/2024	3,955,000	5.000%					
			8/1/2025	4,140,000	5.000%					
			8/1/2026	4,335,000	5.000%					
			8/1/2027	4,545,000	5.000%					
	Buildings, Alterations & Renovations	09/10/02	10,500,000	8/01/15	390,000	4.000%	750,000	-	360,000	390,000
	Buildings, Alterations & Renovations (Refunding Issue - 2013)	01/30/13	7,670,000	8/01/15	40,000	2.000%	7,625,000	-	40,000	7,585,000
				8/01/16	450,000	3.000%				
			8/01/17	480,000	3.000%					
			8/01/18	505,000	3.000%					
			8/01/19	535,000	4.000%					
			8/01/20	565,000	4.000%					
			8/01/21	610,000	4.000%					
			8/01/22	650,000	4.000%					
			8/01/23	685,000	2.500%					
			8/01/24	715,000	2.200%					
			8/01/25	745,000	3.000%					
			8/01/26	780,000	3.000%					
			8/01/27	825,000	3.000%					
Buildings, Alterations & Renovations		05/29/14	19,379,000	8/01/15	799,000	2.000%	19,379,000	-	-	19,379,000
				8/01/16	1,125,000	2.000%				
				8/01/17	1,140,000	2.000%				
				8/01/18	1,160,000	2.000%				
			8/01/19	1,185,000	2.000%					
			8/01/20	1,215,000	2.000%					
			8/01/21	1,245,000	2.000%					
			8/01/22	1,280,000	2.000%					
			8/01/23	1,320,000	2.250%					
			8/01/24	1,365,000	2.250%					
			8/01/25	1,410,000	3.000%					
			8/01/26	1,460,000	3.000%					
			8/01/27	1,515,000	3.000%					
			8/01/28	1,575,000	3.000%					
			8/01/29	1,585,000	3.000%					
Total										
						\$ 75,669,000	\$ -	\$ 2,910,000	\$ 72,759,000	

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SERIES	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2015
Bank of America Elementary HVAC	3.99%	\$ 8,400,000	\$ 2,745,000	\$ -	\$ 875,000	\$ 1,870,000
Savin Copiers	3.45%	942,752	-	942,752	175,791	766,961
Technology Lease	1.89%	620,000	257,008	-	126,002	131,006
Technology Lease	1.19%	710,000	435,000	-	140,000	295,000
Technology Lease	1.147%	1,350,000	1,090,000	-	261,000	829,000
Technology Lease	1.410%	1,500,000	-	1,500,000	300,000	1,200,000
Fiber Optic Upgrade	2.28%	1,195,035	689,000	-	240,000	449,000
Total		\$ 5,216,008	\$ 2,442,752	\$ 2,442,752	\$ 2,117,793	\$ 5,540,967

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL OVER/ (UNDER)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 4,080,945	\$ -	\$ 4,080,945	\$ -
Miscellaneous				-
State Sources:				
Debt Service Aid Type II	1,398,310	-	1,398,310	-
Total Revenues	5,479,255	-	5,479,255	-
Expenditures:				
Regular Debt Service:				
Interest	2,569,255	-	2,569,255	-
Redemption of Principal	2,910,000	-	2,910,000	-
Total Regular Debt Service	5,479,255	-	5,479,255	-
Total Expenditures	5,479,255	-	5,479,255	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over(Under) Expenditures	-	-	-	-
Fund Balance, July 1,	8,642	-	8,642	8,642
Fund Balance, June 30,	\$ 8,642	\$ -	\$ 8,642	\$ -

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STATISTICAL SECTION (Unaudited)

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that the Exhibits are presented for the presented for the past ten fiscal years.

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MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net investment in capital assets	\$ 20,437,301	\$ 23,901,566	\$ 37,699,838	\$ 35,242,009	\$ 36,684,135	\$ 37,477,962	\$ 30,953,572	\$ 26,315,229	\$ 26,714,346	\$ 25,180,881
Restricted	9,983,246	26,609,926	12,763,853	14,329,415	8,920,219	5,472,204	6,437,559	6,267,290	7,232,146	5,048,312
Unrestricted	(42,201,258)	(237,189)	(501,515)	(1,963,302)	(2,728,178)	(3,068,215)	2,458,413	5,054,798	(1,153,361)	(1,017,094)
Total Governmental Activities Net Position	\$ (11,780,711)	\$ 50,274,303	\$ 49,962,176	\$ 47,608,122	\$ 42,876,176	\$ 39,881,951	\$ 39,849,544	\$ 37,637,317	\$ 32,793,131	\$ 29,212,099
Business-Type Activities:										
Net investment in capital assets	\$ 530,506	\$ 422,012	\$ 57,159	\$ 96,528	\$ 130,933	\$ 186,407	\$ 55,912	\$ 94,277	\$ 117,581	\$ 91,757
Unrestricted	-	-	-	14,826	68,484	30,382	46,706	71,169	108,951	151,176
Total Business-Type Activities Net Position	\$ 530,506	\$ 422,012	\$ 57,159	\$ 111,354	\$ 199,417	\$ 216,789	\$ 102,618	\$ 165,446	\$ 226,532	\$ 242,933
Government-Wide:										
Net investment in capital assets	\$ 20,967,807	\$ 24,323,578	\$ 37,756,997	\$ 35,338,537	\$ 36,815,068	\$ 37,664,369	\$ 31,009,484	\$ 26,409,506	\$ 26,831,927	\$ 25,272,638
Restricted	9,983,246	26,609,926	12,763,853	14,329,415	8,920,219	5,472,204	6,437,559	6,267,290	7,232,146	5,048,312
Unrestricted	(42,201,258)	(237,189)	(501,515)	(1,948,476)	(2,659,694)	(3,037,833)	2,505,119	5,125,967	(1,044,410)	(865,918)
Total District Net Position	\$ (11,250,205)	\$ 50,696,315	\$ 50,019,335	\$ 47,719,476	\$ 43,075,593	\$ 40,098,740	\$ 39,952,162	\$ 37,802,763	\$ 33,019,663	\$ 29,455,032

Source :CAFR Schedule A-1

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 88,135,821	\$ 76,477,300	\$ 76,994,308	\$ 50,982,770	\$ 50,650,154	\$ 55,004,182	\$ 51,696,029	\$ 49,535,561	\$ 46,265,089	\$ 42,591,885
Special Education	23,992,602	20,138,172	19,611,534	14,179,046	14,636,606	14,100,471	14,978,785	13,959,547	13,427,985	12,506,282
Other Special Education	-	-	-	1,564,961	1,747,408	2,054,807	2,054,807	1,391,443	1,102,205	1,024,120
Other Instruction	2,848,696	2,346,528	2,278,530	1,564,961	1,747,408	2,354,807	1,887,986	2,083,033	1,811,801	1,683,884
Support Services:										
Tuition	5,890,712	5,807,659	4,494,803	4,416,101	3,567,540	2,720,210	3,608,930	4,131,985	3,723,053	4,884,315
Attendance & Social Work Services	32,087	66,383	71,022	45,305	45,093	44,917	43,990	42,744	40,128	38,400
Health Services	3,447,238	3,329,827	3,096,074	2,335,154	2,109,521	2,137,857	2,051,480	1,825,537	1,857,619	1,768,481
Student & Instruction Related Services	16,781,233	14,453,445	14,875,142	11,017,091	10,554,067	11,247,959	10,844,232	10,659,731	9,662,581	9,027,791
Educational Media Services/School Library	683,348	502,571	479,579	367,428	372,482	545,493	629,293	578,921	602,782	578,844
Instructional Staff Training	661,419	777,654	561,870	413,988	167,153	379,620	524,221	376,913	494,793	415,829
Other Administrative Services	3,125,984	2,850,864	2,821,903	1,559,656	1,566,517	1,570,465	1,792,100	1,767,363	1,836,249	1,828,062
Central Services	2,234,863	1,909,690	1,970,562	1,448,439	1,518,040	1,577,706	1,539,224	1,595,736	1,238,053	1,237,058
Administration Information Technology Services	1,491,562	1,117,188	1,146,578	821,539	772,975	819,694	787,982	789,215	728,494	755,986
School Administrative Services	9,383,428	8,148,695	8,328,836	6,090,739	5,960,494	6,819,282	6,444,702	6,174,931	5,800,536	5,654,731
Plant Operations & Maintenance	21,768,103	20,594,609	17,644,897	12,104,765	12,237,023	13,743,032	13,029,719	13,120,492	12,364,925	12,247,101
Pupil Transportation	9,990,561	10,042,967	9,477,122	9,330,590	9,303,552	9,526,916	9,760,696	9,232,429	8,873,932	8,646,278
Business & Other Support Services	-	-	-	36,617,894	33,570,743	32,096,838	29,930,094	35,276,650	33,683,621	28,498,185
Unallocated Benefits	-	-	-	-	-	-	-	-	-	8,305
Charter Schools	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt & Other Bond Costs	2,679,964	2,726,746	3,117,269	2,793,035	2,736,767	2,597,887	3,723,019	3,821,788	3,821,056	3,892,552
Reduction of Capital Leases	-	-	-	1,237,424	(84,119)	1,118,749	97,701	220,100	616,522	108,513
Adjustment/Reduction of Fixed Assets	-	-	-	3,688,594	3,142,273	2,923,768	2,865,895	2,808,082	2,741,866	2,198,216
Unallocated Depreciation	-	-	-	40,488	40,488	6,748	23,377	-	-	-
Amortization of Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Governmental Activities Expenses	193,147,621	171,290,298	166,970,029	161,055,007	154,763,547	161,541,349	156,465,308	159,415,578	150,693,290	139,594,818
Business-Type Activities: Food Service	2,530,782	2,322,914	2,316,118	2,467,618	2,413,356	2,413,356	2,398,096	2,503,332	2,476,198	2,476,198
Total Business-Type Activities Expense	2,530,782	2,322,914	2,467,618	2,413,356	2,398,096	2,398,096	2,503,332	2,476,198	2,350,797	2,350,797
Total District Expenses	\$ 195,678,403	\$ 173,613,212	\$ 169,437,647	\$ 163,468,363	\$ 157,161,643	\$ 157,161,643	\$ 164,044,681	\$ 158,941,506	\$ 161,766,375	\$ 161,766,375
Program Revenues: Charges for Services			101,100							
Capital Grants & Contributions	3,218,099									
Operating Grants & Contributions	37,764,528	5,752,832	6,627,722	6,307,771	7,286,223	7,286,223	8,030,281	6,893,070	6,458,421	6,458,421
Total Governmental Activities Program Revenues	37,764,528	8,970,931	6,307,771	7,286,223	8,030,281	8,030,281	6,893,070	6,458,421	5,831,626	5,831,626
Business-Type Activities: Charges for Services: Food Service	1,836,651	1,638,063	1,544,900	1,695,023	1,725,994	1,725,994	1,793,480	1,901,977	1,906,138	1,906,138
Operating Grants & Contributions	607,731	539,246	596,849	684,378	669,797	669,797	718,351	536,654	502,229	502,229
Total Business Type Activities Program Revenues	2,444,382	2,177,309	2,379,401	2,395,791	2,511,831	2,511,831	2,438,631	2,408,367	2,323,367	2,323,367
Total District Program Revenues	\$ 40,208,910	\$ 11,148,240	\$ 8,687,172	\$ 9,682,014	\$ 10,542,112	\$ 10,542,112	\$ 9,331,701	\$ 8,866,788	\$ 8,154,993	\$ 8,154,993
Net (Expense)/Revenue: Governmental Activities	(155,383,093)	(162,319,367)	(160,662,258)	(153,768,784)	(146,733,266)	(153,511,068)	(149,572,238)	(152,957,157)	(144,861,664)	(133,763,192)
Business-Type Activities	(86,400)	(145,605)	(88,217)	(17,565)	113,735	113,735	(64,701)	(67,831)	(27,430)	(27,430)
Total District-Wide Net Expense	\$ (155,469,493)	\$ (162,464,972)	\$ (160,750,475)	\$ (153,786,349)	\$ (146,619,531)	\$ (153,397,333)	\$ (149,636,939)	\$ (153,024,988)	\$ (144,889,094)	\$ (133,790,622)

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30.										
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 128,779,398	\$ 126,254,312	\$ 125,004,269	\$ 123,791,116	\$ 122,253,218	\$ 119,793,275	\$ 115,646,345	\$ 111,352,142	\$ 107,070,009	\$ 102,285,049
Taxes Levied for Debt Service	4,080,945	3,677,710	4,104,906	4,224,494	3,976,245	4,158,093	4,122,931	4,135,323	4,061,960	3,775,363
Unrestricted Grants & Contributions	19,073,690	32,422,995	33,610,352	30,053,437	25,346,126	28,371,241	30,059,527	36,152,801	35,042,835	29,737,004
Tuition Received	400,795	148,950	606,608	97,300	88,600	78,950	68,138	48,293	25,536	31,351
Miscellaneous Income	296,972	452,912	-	1,973,568	1,564,780	1,085,323	1,921,910	2,943,736	2,454,496	2,406,089
Change in Compensated Absences	-	-	-	-	(107,162)	56,593	(34,386)	224,756	(212,140)	(185,602)
Transfers In/Out	(212,238)	(300,277)	(120,174)	-	-	-	-	-	-	-
Increase in Capital Reserve	-	(25,108)	-	(1,363)	-	-	-	-	-	(2,031,900)
Changes in IBNR/Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	152,419,562	162,631,494	163,205,961	160,138,552	153,121,807	153,543,475	151,784,465	154,857,051	148,442,696	136,017,354
Business-Type Activities:										
Transfers In/Out	212,238	300,277	120,174	-	-	-	-	-	-	-
Depreciation Adjustment	(17,344)	210,181	-	154	193	436	1,873	6,745	11,029	10,190
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	194,894	510,458	120,174	154	193	436	1,873	6,745	11,029	10,190
Total District-Wide	\$ 152,614,456	\$ 163,141,952	\$ 163,326,135	\$ 160,138,706	\$ 153,122,000	\$ 153,543,911	\$ 151,786,338	\$ 154,863,796	\$ 148,453,725	\$ 136,027,544
Change in Net Assets:										
Governmental Activities	\$ (2,963,531)	\$ 312,127	\$ 2,964,754	\$ 5,391,316	\$ (1,625,429)	\$ (225,309)	\$ 5,051,199	\$ 208,772	\$ (1,564,191)	\$ (17,566,598)
Business-Type Activities	108,494	364,853	(54,195)	(88,063)	(88,024)	(17,129)	115,608	(57,956)	(56,802)	(17,240)
Total District	\$ (2,855,037)	\$ 676,980	\$ 2,910,559	\$ 5,303,253	\$ (1,713,453)	\$ (242,438)	\$ 5,166,807	\$ 150,816	\$ (1,620,993)	\$ (17,583,838)

Source: CAFR Schedule A-2

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30.										
General Fund:										
Restricted	\$ 5,247,123	\$ 6,471,176	\$ 12,755,211	\$ 14,592,472	\$ 9,583,263	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	59,114	55,152	68,609	116,960	229,292	-	-	-	-	-
Assigned	1,135,223	1,446,486	1,345,558	868,826	400,568	-	-	-	-	-
Unassigned	1,825,603	2,119,248	1,864,570	1,690,411	1,872,541	-	-	-	-	-
Reserved	-	-	-	-	-	6,089,233	7,671,475	7,666,881	8,677,412	6,438,755
Unreserved	-	-	-	-	-	1,355,835	1,863,111	2,245,253	2,061,838	2,013,233
Total General Fund	\$ 8,267,063	\$ 10,092,062	\$ 16,033,948	\$ 17,268,669	\$ 12,085,664	\$ 7,445,068	\$ 9,534,586	\$ 9,912,134	\$ 10,739,250	\$ 8,451,988
All Other Governmental Funds:										
Restricted										
Debt Service fund	\$ 8,642	\$ 8,462	\$ 8,462	\$ 1	\$ 13	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects fund	4,727,481	20,130,108	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	44,174	42,504	822,462
Unreserved, Reported in:										
Capital Projects Fund	-	-	-	-	-	-	-	205,073	267,031	357,615
Debt Service Fund	-	-	-	-	-	2,686	15,273	61,305	101,088	52,382
Permanent Fund	-	-	-	-	-	-	-	-	-	613,738
Total All Other Governmental Funds	\$ 4,736,123	\$ 20,138,570	\$ 8,462	\$ 1	\$ 13	\$ 2,686	\$ 15,273	\$ 310,552	\$ 410,623	\$ 1,846,197

Source: CAFR Schedule B-1
 Note: GASB #54 was implemented in the 2011 fiscal year, which required the presentations of fund balances to be reported in different classifications from those presented in prior years. (See footnote 17 in the basic financial statements)
 Prior years have not been restated above and are not required to be.

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Tax Levy	\$ 132,860,343	\$ 129,932,022	\$ 129,109,175	\$ 128,015,610	\$ 126,229,463	\$ 123,951,368	\$ 119,769,276	\$ 115,487,465	\$ 111,131,969	\$ 106,060,412
Tuition Charges	400,795	148,950	101,100	97,300	88,600	78,950	68,138	48,293	25,536	31,351
Miscellaneous	423,803	527,863	606,648	1,973,289	1,564,726	1,085,116	1,909,788	2,807,447	2,454,496	2,406,089
State Sources	36,749,385	37,997,634	36,072,842	31,538,558	27,867,772	31,175,887	32,919,176	39,108,448	37,843,623	32,410,990
Federal Sources	3,303,272	3,321,341	4,165,039	4,822,650	4,764,577	5,223,635	4,033,421	3,502,774	3,030,838	3,147,891
Total Revenue	173,737,598	171,927,810	166,447,407	160,515,138	161,516,956	158,699,799	160,954,427	154,486,462	144,056,733	138,247,239
Expenditures										
Instruction:										
Regular Instruction	57,621,320	56,949,667	55,785,779	50,982,770	50,650,154	55,004,182	51,696,029	49,535,561	46,265,089	42,591,885
Special Education Instruction	15,345,997	14,604,743	13,599,811	14,179,046	14,636,606	14,100,471	14,978,785	13,959,547	13,427,985	12,506,282
Other Instruction	-	-	-	-	148,770	205,748	205,853	1,391,443	1,102,205	1,024,120
Other Instruction	2,055,455	1,838,887	1,735,033	1,564,961	1,747,408	2,354,807	1,887,986	2,083,033	1,811,801	1,683,884
Support Services:										
Tuition	5,890,712	5,807,659	4,494,803	4,416,101	3,567,540	2,720,210	3,608,930	4,131,985	3,723,053	4,884,315
Attendance & Social Work Services	3,311	47,968	49,127	45,305	45,093	44,917	43,990	42,744	40,128	38,400
Health Services	2,443,908	2,687,737	2,336,287	2,335,154	2,109,521	2,137,857	2,051,480	1,825,537	1,857,619	1,768,481
Student & Instruction Related Services	11,885,334	11,320,271	11,296,878	11,017,091	10,554,067	11,247,959	10,844,232	10,659,731	9,662,581	9,027,791
Educational Media Services/										
School Library	484,011	375,004	347,073	367,428	372,482	545,493	629,293	578,921	602,782	578,844
Instructional Staff Training	353,965	580,897	409,396	413,988	167,153	379,620	524,221	376,913	494,793	415,829
Other Administrative Services	2,168,065	2,238,176	2,040,475	1,559,656	1,566,517	1,570,465	1,792,100	1,767,363	1,836,249	1,728,062
Central Services	1,519,925	1,452,159	1,461,756	1,448,439	1,518,040	1,577,706	1,539,224	1,595,736	1,238,053	1,237,058
Administration Information										
Technology Services	1,007,029	807,131	811,518	821,539	772,975	819,694	787,982	789,215	728,494	755,986
School Administrative Services	5,859,386	5,893,453	5,764,937	6,090,739	5,960,494	6,819,282	6,444,702	6,174,931	5,800,536	5,654,731
Plant Operations & Maintenance	12,400,034	12,168,418	11,600,767	12,104,765	12,271,559	13,742,032	13,029,719	13,120,492	12,364,925	12,247,101
Pupil Transportation	9,894,739	9,981,645	9,477,122	9,330,590	9,303,552	9,526,916	9,760,696	9,232,429	8,873,932	8,646,278
Business & Other Support Services										
Unallocated Benefits	38,279,625	35,562,799	38,895,076	36,617,894	33,570,743	32,096,838	29,930,094	35,276,650	33,683,621	28,498,185
Capital outlay	20,503,667	10,372,975	6,251,968	3,580,654	1,599,585	5,141,907	6,422,318	9,664,353	3,525,895	5,919,048
Debt service:										
Principal	2,910,000	2,805,000	2,650,000	2,545,000	3,315,000	2,440,000	2,335,000	2,225,000	2,110,000	1,555,000
Interest & Other Charges	2,569,255	2,673,722	2,878,750	2,982,650	2,206,433	3,544,737	3,651,163	3,756,705	3,871,295	3,971,148
Total Expenditures	193,195,738	178,168,311	171,886,556	162,403,770	156,083,692	166,020,841	162,163,797	168,188,289	153,021,036	144,832,428

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(19,458,140)	(6,240,501)	(5,439,149)	(1,888,632)	5,433,264	(7,321,042)	(1,209,370)	(13,701,827)	(8,964,303)	(6,585,189)
Other Financing Sources/(Uses):										
Proceeds from Borrowing										
Arbitrage Remittance										
Capital Leases (Non-budgeted)	2,442,752	1,350,000	710,000	1,139,356	206,477	2,401,780	2,791,171	6,306,675	-	(8,305)
Transfer to Charter Schools										
Increase in Capital Reserve										
I.B.N.R.			15,846							(2,031,900)
FEMA Reimbursement										
Transfers in	394,925	19,379,000		-	-	11	2,674	12,599	48,712	52,382
Transfers Out	(607,163)	(300,277)	(120,174)	-	-	(11)	(2,674)	(12,599)	(48,712)	(52,382)
Total Other Financing Sources/(Uses)	2,230,514	20,428,723	1,139,356	206,477	2,401,780	2,791,171	6,306,675	-	(2,040,205)	848,128
Net Change in Fund Balances	\$ (17,227,626)	\$ 14,188,222	\$ 5,182,993	\$ 4,250,114	\$ 6,833,226	\$ (1,712,714)	\$ 2,842,677	\$ (7,233,862)	\$ (574,779)	\$ 72,433
Debt Service as a Percentage of Noncapital Expenditures	3.1%	3.2%	3.3%	3.4%	3.7%	3.9%	4.0%	3.9%	4.2%	4.1%

Source: District records CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay additions from Exhibit B-3

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	SALE OF EQUIPMENT	INSURANCE/ LEGAL SETTLEMENT	RENTALS	PRIOR YEAR REFUNDS	HEALTH INSURANCE CONTRIBUTIONS	SALE OF PLANS/ SPECS	MISCELLANEOUS	TOTAL
2015	\$ 37,962	\$ 500	-	\$ 29,057	\$ 223,127	-	-	\$ 6,326	\$ 296,972
2014	15,990	23,378	-	29,902	87,752	-	-	295,890	452,912
2013	24,225	-	-	30,250	151,357	-	-	228,007	433,839
2012	39,862	-	67,699	37,773	356,961	1,238,000	-	146,632	1,886,927
2011	96,837	1,000	242,262	25,632	396,683	565,033	-	54,965	1,382,412
2010	151,934	-	92,778	54,201	166,530	544,824	-	20,686	1,030,953
2009	284,224	-	61,305	47,021	898,824	556,092	1,200	5,401	1,854,067
2008	1,185,264	-	99,665	45,301	670,870	586,916	945	9,230	2,598,191
2007	1,492,596	-	74,557	96,611	57,628	574,752	2,400	1,008	2,299,552
2006	934,249	-	40,990	89,979	304,512	560,188	400	30,242	1,960,560

Source: District records
 Note: Beginning July 1, 2012 the district recorded health insurance contributions as a refund to the health benefits budget line as opposed to revenue in previous years.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
2015	\$ 66,485,100	\$ 8,867,273,420	\$ 132,735,800	\$ 693,200	\$ 1,090,553,800	\$ 2,681,700	\$ 101,994,900	\$ 10,262,417,920	\$ -	\$ 12,823,003	\$ 9,838,132,733	1.333	\$ 10,262,417,920
2014	74,037,100	8,403,629,300	126,767,000	700,500	1,074,628,400	2,446,000	97,547,500	9,779,755,800	-	12,045,356	9,779,755,800	1.357	10,148,242,488
2013	75,921,300	8,408,698,900	126,988,500	697,400	1,090,669,400	2,446,000	99,390,700	9,804,812,200	-	13,874,518	9,818,686,718	1.323	10,412,940,361
2012	76,095,900	8,422,778,400	124,309,300	687,700	1,129,125,900	2,446,000	102,584,100	9,858,027,300	-	15,274,187	9,873,301,487	1.308	9,858,027,300
2011	74,469,600	8,410,857,000	119,842,300	754,300	1,170,814,200	2,777,700	102,640,900	9,882,156,000	-	16,808,581	9,898,964,581	1.293	9,898,964,580
2010	85,622,700	9,636,409,200	149,035,500	697,900	1,384,038,100	2,792,700	108,714,800	11,367,310,900	-	16,143,398	11,383,454,298	1.109	11,928,886,176
2009	95,524,100	9,668,867,900	135,825,600	671,300	1,396,112,100	2,792,700	108,714,800	11,408,508,500	-	16,720,537	11,425,229,037	1.085	11,955,302,056
2008	47,481,660	4,232,317,778	48,137,000	466,800	606,184,000	1,052,500	45,671,100	4,981,310,838	-	5,964,127	4,987,274,965	2.402	12,512,393,547
2007	52,305,760	4,195,008,178	40,885,100	487,100	605,039,300	1,152,500	46,721,100	4,941,599,038	-	6,465,349	4,948,064,387	2.334	12,488,402,803
2006	46,520,660	4,153,537,978	38,781,500	484,800	626,854,300	1,152,500	44,337,800	4,911,669,538	-	6,769,985	4,918,439,523	2.260	11,539,217,832

Source: Monmouth County Board of Taxation

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b. Tax rates are per \$100

Note: There was a property revaluation in 2009

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		GENERAL OBLIGATION DEBT SERVICE		TOTAL DIRECT	OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE				TOWNSHIP OF MIDDLETOWN	MONMOUTH COUNTY	COUNTY OPEN SPACE		
2015	1.278		0.055		1.333	0.511	0.276	0.016	2.136
2014	1.315		0.042		1.357	0.530	0.286	0.016	2.189
2013	1.286		0.037		1.308	0.515	0.286	0.016	2.108
2012	1.266		0.042		1.293	0.503	0.281	0.016	2.087
2011	1.250		0.043		1.109	0.491	0.286	0.017	1.795
2010	1.074		0.035		1.085	0.418	0.252	0.016	1.725
2009	1.049		0.036		2.401	0.370	0.253	0.017	3.787
2008	2.318		0.083		2.334	0.778	0.570	0.038	3.659
2007	2.250		0.084		2.259	0.727	0.563	0.035	3.557
2006	2.176		0.083		2.160	0.706	0.560	0.032	3.429

Source: Municipal Tax Collector, Monmouth County Board of Taxation.
Note: There was a property revaluation in 2009

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2015		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
At Middletown NJ Landlord LLC	\$201,600,000	1	2.049%
One River Associates (Mack-Cali Realty Corp.)	45,853,200	2	0.466%
Middletown VF, LLC (V.R. Trust)	28,990,000	3	0.295%
Centro NP Middletown Plaza Owner	27,095,000	4	0.275%
Four Ponds (CB Richard Ellis, Inc.)	25,000,000	5	0.254%
Hensyn, Inc.	25,000,000	6	0.254%
Thousand Oaks Village	23,100,000	7	0.235%
One River Associates (Newman Springs Road)	17,590,200	8	0.179%
Middletown Shopping Center	17,500,000	9	0.178%
Sears Roebuck & Co.	17,173,400	10	0.175%
Total	\$428,901,800		4.360%

Taxpayer	2006		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Laurel Associates (AT&T)	\$ 157,529,300	1	3.203%
Four Ponds (AT&T)	30,000,000	2	0.610%
Weill, Maurice M. Trustee (Lucent)	20,637,500	3	0.420%
Middletown Holding Corp.	15,039,600	4	0.306%
One River Associates (Belcore)	14,590,300	5	0.297%
Thousand Oaks Village	13,702,000	6	0.279%
Hensyn, Inc.	12,964,000	7	0.264%
New Plan Realty Trust	12,340,000	8	0.251%
Sears Roebuck & Co.	10,018,600	9	0.204%
One River Associates (Newman Springs Road)	9,116,900	10	0.185%
Total	\$ 295,938,200		6.017%

Source: Municipal Tax Assessor

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2015	\$ 132,860,343	\$ 132,860,343	100.00%	-
2014	129,932,022	129,932,022	100.00%	-
2013	129,109,175	129,109,175	100.00%	-
2012	128,015,610	128,015,610	100.00%	-
2011	126,229,463	126,229,463	100.00%	-
2010	123,951,368	123,951,368	100.00%	-
2009	119,769,276	119,769,276	100.00%	-
2008	115,487,465	115,487,465	100.00%	-
2007	111,131,969	111,131,969	100.00%	-
2006	106,060,412	106,060,412	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

a. School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issues additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2015	\$ 72,759,000	\$ 5,540,967	\$ 78,299,967	N/A	\$ 1,177
2014	75,669,000	5,216,008	80,885,008	N/A	978
2013	59,095,000	5,957,313	65,052,313	N/A	978
2012	61,490,000	7,016,107	68,506,107	N/A	1,030
2011	64,035,000	6,785,623	70,820,623	N/A	1,065
2010	67,350,000	8,457,456	75,807,456	N/A	1,140
2009	74,275,000	8,915,384	83,190,384	2.20%	1,249
2008	76,610,000	9,827,256	86,437,256	2.29%	1,298
2007	78,835,000	10,789,593	89,624,593	2.37%	1,350
2006	80,945,000	3,822,211	84,767,211	2.29%	1,269

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
See Exhibit J-14 for personal income and population data.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	ESTIMATED SCHOOL DISTRICT POPULATION	NET ASSESSED VALUATION TAXABLE	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2015	66,522	9,838,132,733	72,759,000	0.74%	1,094
2014	66,522	9,838,132,733	75,095,000	0.60%	888
2013	66,522	9,818,686,718	59,095,000	0.60%	888
2012	66,522	9,873,301,487	61,490,000	0.62%	924
2011	66,522	11,383,454,298	67,350,000	0.59%	1,012
2010* Census	66,603	11,383,454,298	67,350,000	0.59%	1,011
2009	66,591	11,425,229,037	74,275,000	0.65%	1,114
2008	66,402	4,987,274,965	76,610,000	1.54%	1,149
2007	66,796	4,948,064,387	78,835,000	1.58%	1,182
2006	67,213	4,918,439,523	80,945,000	1.64%	1,218

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

See Exhibit J-6 for property tax data.

Population data can be found in Exhibit J-14.

* 2010 Census

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Middletown	\$ 61,241,144	100.0%	\$ 61,241,144
Other Debt:			
County of Monmouth - Township's Share (%)	454,689,897	9.2321%	41,977,573
Township of Middletown Sewerage Authority	11,004,565	100.0%	11,004,565
Subtotal, Overlapping Debt			114,223,282
Middletown Township School District Direct Debt			<u>72,759,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 186,982,282</u></u>

Sources: Monmouth County Office of the Treasurer, Township of Middletown, Township of Middletown Sewerage Authority, Township of Middletown Housing Authority

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Middletown. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 412,170,654	\$ 418,760,059	\$ 435,003,780	\$ 455,345,662	\$ 477,682,563	\$ 492,359,312	\$ 492,359,312	\$ 486,944,196	\$ 458,060,441	\$ 413,955,919
Total Net Debt Applicable to Limit	72,759,000	75,669,000	59,095,000	61,490,000	64,035,000	67,350,000	74,275,000	76,610,000	78,835,000	80,945,000
Legal Debt Margin	\$ 339,411,654	\$ 343,091,059	\$ 375,908,780	\$ 393,855,662	\$ 413,647,563	\$ 425,009,312	\$ 418,084,312	\$ 410,334,196	\$ 379,225,441	\$ 333,010,919
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.65%	18.07%	13.58%	13.50%	13.41%	13.68%	15.09%	15.73%	17.21%	19.55%

Legal Debt Margin Calculation for Fiscal Year 2013

Average Equalized Valuation of Taxable Property	
Debt Limit (4 % of Average Equalization Value: Net Bonded School Debt	
Legal Debt Margin	
	Equalized Valuation Basis
	2014 \$ 10,336,956,462
	2013 10,162,902,258
	2012 10,412,940,361
	\$ 30,912,799,081
	\$ 10,304,266,360
	\$ 412,170,654
	72,759,000
	\$ 339,411,654

Source: Equalized valuation bases were obtained from the Monmouth County Board of Taxation

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2015	66,522	N/A	N/A	6.5%
2014	66,522	N/A	N/A	5.5%
2013	66,522	N/A	N/A	8.9%
2012	66,522	N/A	N/A	9.1%
2011	* Census	N/A	N/A	8.3%
2010	66,603	N/A	N/A	8.2%
2009	66,591	\$ 3,779,372,205	\$ 56,755	4.1%
2008	66,402	3,706,958,052	55,826	3.1%
2007	66,796	3,506,723,204	52,499	3.4%
2006	67,213	3,289,434,390	48,072	3.2%

* 2010 Census

Source: U.S. Department of Commerce, Bureau of Economic Analysis. These numbers are estimated by the Bureau and may be revised from year to year.

a Population information provided by the NJ Dept of Labor and Workforce Development. These numbers are estimated by the Department and may be revised from year to year.

b Personal income has been estimated based upon the county population and per capita personal income presented.

c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development. Note that that there is recent revised data for the years 2004 through 2001 due to the new unemployment estimation procedure.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2015		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Middletown Township Board of Education	1,295	1	4.01%
Brookdale Community College	750	2	2.32%
Township of Middletown	461	3	1.43%
Shop Rite of Middletown	300	4	0.93%
Target	203	5	0.63%
Academy Bus	200	6	0.62%
Middletown Yellow Taxi Cab/My Limo Service	200	7	0.62%
T&M Associates	172	8	0.53%
Markel	160	9	0.50%
Kohls	150	10	0.46%
Total	<u>3,891</u>		<u>12.05%</u>
Total Employment - 2015 (Estimated)	<u>32,302</u>		

	2006		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Academy Bus Lines			
AT&T Laurel Avenue	4,132	1	11.98%
Middletown Township Board of Education	1,119	2	3.25%
AT&T Middletown Lincroft Rd.	914	3	2.65%
Brookdale Community College	658	4	1.91%
Township of Middletown	470	5	1.36%
Academy Bus Lines	405	6	1.17%
Marriott Senior Living Services, Inc.	325	7	0.94%
Sears Roebuck & Co.	320	8	0.93%
Courtyard Management Group	310	9	0.90%
T&M Associates	100	10	0.29%
Total	<u>8,753</u>		<u>25.38%</u>
Total Employment - 2006 (Estimated)	<u>34,481</u>		

Source: Monmouth County Department of Economic Development and Tourism;
The Township of Middletown, Official Statements

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	623.49	627.76	594.90	587.70	581.70	613.76	617.64	597.18	593.87	612.07
Special Education	159.17	158.00	155.00	147.50	146.50	160.76	148.68	153.17	174.84	164.00
Other Special Instruction	-	-	-	3.80	5.05	10.82	15.59	19.73	13.30	13.37
Classroom Paraprofessionals	305.00	311.00	267.20	247.66	232.80	255.08	232.93	239.30	197.60	190.00
Support Services:										
Attendance Services	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Health Services	23.00	23.00	23.00	23.00	23.00	24.00	24.00	24.00	24.00	23.00
Student & Instruction Related Services	104.00	105.00	105.00	103.00	100.80	116.00	115.60	115.89	100.60	86.50
Educational Media Services/School Library	5.00	5.00	5.00	3.00	3.00	6.00	6.00	6.00	6.00	6.00
School Administrative Services	85.00	86.00	83.00	83.00	82.00	90.40	89.50	89.00	82.00	83.50
Central Services	19.00	18.00	17.00	17.00	17.00	18.00	18.00	18.00	18.00	18.00
Administrative Information Technology Service	14.00	13.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Other Administrative Service	2.00	2.00	7.00	7.00	7.00	7.00	8.00	9.00	9.00	9.00
Plant Operations & Maintenance	156.00	153.00	146.10	143.40	143.70	171.00	168.90	163.40	142.00	147.00
Pupil Transportation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50
Total	1,498.66	1,505.76	1,419.20	1,382.06	1,358.55	1,488.82	1,460.84	1,450.17	1,376.71	1,367.94

Source: District Personnel Records

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO (d)	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	9,668	\$152,036,864	\$15,726	2.12%	905	12.6	9,727	9,303	-3.92%	95.64%
2014	9,678	149,037,626	15,400	6.77%	867	14.2	9,418	9,450	-4.81%	96.09%
2013	10,057	145,066,695	14,424	6.99%	867	14.2	10,081	9,450	-2.09%	93.74%
2012	10,165	137,039,679	13,482	-1.65%	858	14.2	10,124	9,589	-2.41%	94.72%
2011	10,142	139,028,283	13,708	-3.04%	843	13.3	10,296	9,631	2.09%	93.54%
2010	10,248	144,885,807	14,138	2.39%	906	13.3	10,374	9,863	0.73%	95.07%
2009	10,160	140,282,616	13,807	2.51%	903	13.1	10,085	9,607	-0.40%	95.26%
2008	10,208	137,489,212	13,469	6.95%	901	11.5	10,299	9,766	1.10%	94.82%
2007	10,242	128,987,057	12,594	5.44%	893	11.5	10,125	9,604	-0.61%	94.85%
2006	10,331	123,397,148	11,944	3.40%	891	13.5	10,187	9,633	-0.89%	94.56%

Sources: District records

Note: Enrollment based on annual October district count from the year prior

- a Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions. J-4
- b Teaching staff includes only full-time equivalents of certificated staff
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary Schools:										
Bayview Elementary (1956):										
Square Feet	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Capacity	665	665	665	665	665	665	665	665	665	665
Enrollment	405	419	435	421	444	481	395	401	404	403
Fairview Elementary (1931):										
Square Feet	32,960	32,960	32,960	32,960	32,960	32,960	32,960	32,960	32,960	32,960
Capacity	530	530	530	530	530	530	530	530	530	530
Enrollment (a)	304	313	328	328	329	340	323	318	340	344
Harmony Elementary (1960):										
Square Feet	51,405	51,405	51,405	51,405	51,405	51,405	51,405	51,405	51,405	51,405
Capacity	863	863	863	863	863	863	863	863	863	863
Enrollment	501	486	529	490	478	461	470	466	481	484
Leonardo Elementary (1931)										
Square Feet	32,255	32,255	32,255	32,255	32,255	32,255	32,255	32,255	32,255	32,255
Capacity	366	366	366	366	366	366	366	366	366	366
Enrollment	232	232	235	238	258	279	275	283	291	309
Lincroft Elementary (1956)										
Square Feet	39,560	39,560	39,560	39,560	39,560	39,560	39,560	39,560	39,560	39,560
Capacity	485	485	485	485	485	485	485	485	485	485
Enrollment	491	509	520	533	521	504	473	484	466	450
Middletown Village (1940)										
Square Feet	35,640	35,640	35,640	35,640	35,640	35,640	35,640	35,640	35,640	35,640
Capacity	611	611	611	611	611	611	611	611	611	611
Enrollment	413	418	433	446	459	463	423	426	393	379
Navesink Elementary (1941)										
Square Feet	29,113	29,113	29,113	29,113	29,113	29,113	29,113	29,113	29,113	29,113
Capacity	326	326	326	326	326	326	326	326	326	326
Enrollment	294	295	279	283	294	287	247	287	221	244
New Monmouth Elementary (1968)										
Square Feet	60,840	60,840	60,840	60,840	60,840	60,840	60,840	60,840	60,840	60,840
Capacity	294	699	699	699	699	699	699	699	699	699
Enrollment	431	453	469	511	511	544	438	513	475	493
Nut Swamp Elementary (1964)										
Square Feet	47,820	47,820	47,820	47,820	47,820	47,820	47,820	47,820	47,820	47,820
Capacity	822	822	822	822	822	822	822	822	822	822
Enrollment	575	550	560	538	549	579	524	534	531	509

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Ocean Avenue Elementary (1931)										
Square Feet	31,540	31,540	31,540	31,540	31,540	31,540	31,540	31,540	31,540	31,540
Capacity	454	454	454	454	454	454	454	454	454	454
Enrollment	304	304	296	283	278	293	303	345	306	321
Port Monmouth Elementary (1928)										
Square Feet	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750
Capacity	392	392	392	392	392	392	392	392	392	392
Enrollment	247	268	262	254	259	256	233	236	227	216
River Plaza Elementary (1928)										
Square Feet	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040
Capacity	403	403	403	403	403	403	403	403	403	403
Enrollment	325	322	315	325	311	322	318	311	323	317
Middle Schools:										
Bayshore Middle School (1931):										
Square Feet	144,069	144,069	144,069	144,069	144,069	144,069	144,069	144,069	144,069	144,069
Capacity	792	792	792	792	792	792	792	792	792	792
Enrollment	642	667	670	709	704	712	740	725	705	715
Thompson Middle School (1960)										
Square Feet	129,069	129,069	129,069	129,069	129,069	129,069	129,069	129,069	129,069	129,069
Capacity	930	930	930	930	930	930	930	930	930	930
Enrollment	945	945	917	965	888	930	932	956	957	935
Thorne Middle School (1960)										
Square Feet	129,069	129,069	129,069	129,069	129,069	129,069	129,069	129,069	129,069	129,069
Capacity	930	930	930	930	930	930	930	930	930	930
Enrollment	731	715	744	781	778	804	788	830	825	867
High Schools:										
Middletown High School North (1952):										
Square Feet	255,800	255,800	255,800	255,800	255,800	255,800	255,800	255,800	255,800	255,800
Capacity	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849	1,849
Enrollment	1,425	1,382	1,605	1,592	1,637	1,688	1,718	1,719	1,733	1,738
Middletown High School South (1974):										
Square Feet	237,156	237,156	237,156	237,156	237,156	237,156	237,156	237,156	237,156	237,156
Capacity	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793
Enrollment	1,403	1,400	1,460	1,468	1,444	1,430	1,486	1,465	1,447	1,466
Other Buildings:										
Athletic Tensile Structure (2000):										
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Athletic Tensile Structure (2000):										
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Central Administration (1952):										
Square Feet				8,544	8,544	8,544	8,544	8,544	8,544	8,544
Warehouse										
Square Feet	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500

Number of Schools at June 30, 2015:
 Elementary = 12
 Middle School = 3
 Senior High School = 2
 Other = 3

Source: District Facilities Office, District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count. Central Administration building was demolished during the 2012-13 school year.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED**

SCHOOL FACILITIES	PROJECT # (s)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
High Schools:											
High School North	N/A	\$ 600,040	\$ 540,714	\$ 35,766	\$ 35,766	\$ 76,485	\$ 144,182	\$ 149,961	\$ 152,707	\$ 132,087	\$ 148,275
High School South	N/A	556,305	501,303	120,203	120,203	58,382	109,326	131,877	239,250	114,859	137,148
Middle Schools:											
Bayshore Middle	N/A	-	304,535	21,252	21,252	41,184	77,285	58,642	96,650	90,057	72,858
Thompson	N/A	302,762	272,827	117,674	117,674	30,775	57,884	67,213	87,633	77,221	67,318
Thorne	N/A	302,762	272,827	97,001	97,001	49,331	93,136	62,298	73,963	63,784	68,818
Elementary Schools:											
Bayview	N/A	103,212	93,008	14,235	14,235	14,482	27,093	23,564	23,650	27,771	43,990
Fairview	N/A	77,315	69,671	7,489	7,489	15,388	29,196	35,107	23,459	23,070	16,379
Harmony	N/A	120,583	108,660	51,247	51,247	14,030	26,473	43,207	70,599	55,739	27,147
Leonardo	N/A	75,662	68,181	14,219	14,219	8,599	15,913	30,967	14,062	29,186	20,853
Lincroft	N/A	92,797	83,622	5,814	5,814	32,133	60,717	35,074	75,617	32,398	23,192
Middletown Village	N/A	83,602	75,336	5,214	5,214	23,986	45,321	13,182	24,775	19,985	16,740
Navessin	N/A	68,291	61,539	21,007	21,007	7,694	14,399	22,118	26,609	70,616	10,184
New Monmouth	N/A	142,715	128,604	7,785	7,785	25,344	47,502	64,255	107,675	29,586	31,096
Nut Swamp	N/A	112,173	101,082	71,635	71,635	19,913	37,564	20,188	23,107	39,835	25,869
Ocean Avenue	N/A	73,985	66,670	21,441	21,441	5,883	11,361	14,255	33,602	14,850	14,034
Port Monmouth	N/A	60,403	54,431	5,214	5,214	10,862	20,422	9,890	30,654	11,710	11,607
River Plaza	N/A	75,157	67,727	108,757	108,757	18,103	34,206	15,640	32,727	15,212	14,020
Grand Total		\$ 3,185,711	\$ 2,870,737	\$ 725,953	\$ 725,953	\$ 452,574	\$ 851,980	\$ 797,438	\$ 1,136,739	\$ 847,966	\$ 749,528

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
Commercial Package Policy - MOCSSIF:		
Real & Personal Property (per occurrence)	\$ 400,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Paper & Records	10,000,000	5,000
Demolition & Increased Cost of Construction	10,000,000	5,000
Fire Dept. Service Charge	10,000	
Arson Reward	10,000	
Pollution Cleanup & Removal	250,000	
Flood/Earthquake:		
Flood Zone A & V	10,000,000	500,000
All Other Flood Zones	50,000,000	10,000
Earthquake	50,000,000	5,000
Terrorism	1,000,000	5,000
General Liability:		
Bodily Injury & Property Damage	6,000,000	1,000
Personal Injury	6,000,000	1,000
Employee Benefit Liability	6,000,000	1,000
Sexual Abuse/Child Molestation	6,000,000	1,000
Premises Medical Payments	10,000	5,000
Terrorism	1,000,000	1,000
Automotive Coverage:		
Combined Single Limit for Bodily Injury & Property Damage	6,000,000	1,000
Personal Injury Protection	250,000	1,000
Medical Payments	10,000	1,000
Underinsured	1,000,000	1,000
Terrorism	1,000,000	1,000
Garagekeepers	Included	
Electronic Data Processing:		
Blanket Hardware/Software	1,475,000	1,000
Blanket Extra Expense	Included	
Transit	25,000	
Loss of Income	10,000	
Flood (Deductible for Zone A & Z)		500,000
(Deductible - All Other Flood Zones)		10,000
Crime Coverage:		
Public Employee Dishonesty	100,000	500
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	10,000	500
Forgery or Alteration	25,000	500
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Extra Exp.	100,000,000	5,000
Property Damage	Included	
Off Premises Property Damage	100,000	5,000
Extra Expenses	10,000,000	5,000
Service Interruption	10,000,000	5,000
Perishable Goods	500,000	5,000
Data Restoration	100,000	5,000
Demolition	1,000,000	5,000
Ordinance or Law	1,000,000	5,000
Expediting Expense	500,000	5,000
Hazardous Substances	500,000	5,000
Newly Acquired Locations	250,000	5,000

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
MOCSSIF:		
Board of Education Liability/School Leaders Errors & Omissions	2,000,000	10,000
Employee Related Practices Violations	150,000	10,000
Zurich North American AKA Fidelity & Deposit Company:		
Public Official Bonds:		
Judith Vassallo - Treasurer	600,000	1,000
Amy P. Gallagher - Business Administrator/Board Secretary	600,000	1,000
Workers' Compensation - MOCSSIF:		
Bodily Injury by Accident	2,000,000	
Bodily Injury by Disease	2,000,000	
Travel Accident - Gerber Life Insurance Company:		
Accidental Death Dismemberment	250,000	
Aggregate limit of Indemnity	1,250,000	
Student/Athletic Volunteer Accident - McCloskey Insurance:		
Interscholastic Football/Sports	25,000	1,000
Excess Coverage - Medical Expense benefits	5,000,000	25,000
Volunteer Workers	25,000	1,000

Source: District records.

SINGLE AUDIT SECTION

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EXHIBIT K-1

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and Members
of the Board of Education
Middletown Township School District
County of Monmouth
Middletown, New Jersey 07748

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Middletown Township Board of Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Middletown Township Board of Education's basic financial statements, and have issued our report thereon dated December 05, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Middletown Township Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Middletown Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Middletown Township Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Middletown Township Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Freehold, New Jersey
December 05, 2015

EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

Honorable President and Members
of the Board of Education
Middletown Township School District
County of Monmouth
Middletown, New Jersey 07748

Report on Compliance for Each Major Federal and State Program

We have audited Middletown Township Board of Education’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2015. Middletown Township Board of Education’s major federal and state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Middletown Township Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB’s Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state

program occurred. An audit includes examining, on a test basis, evidence about Middletown Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Middletown Township Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Middletown Township Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Middletown Township Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Middletown Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Middletown Township Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Freehold, New Jersey
December 05, 2015

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MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENTS/ CANCELED	UNEARNED REVENUE JUNE 30, 2015	(ACCOUNTS RECEIVABLE) JUNE 30, 2015	DUE TO GRANTOR JUNE 30, 2015
Enterprise Fund:													
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:													
Food Distribution Program	10.550	N/A	\$ 98,700	7/1/14-6/30/15	\$ -	\$ -	\$ 98,700	\$ (98,700)	\$ -	\$ -	\$ -	\$ -	\$ -
Child Nutrition Program Cluster													
Healthy, Hunger-Free Kids Act of 2010	10.592	N/A	26,317	7/1/14-6/30/15	-	-	24,336	(26,317)	-	-	-	(1,981)	-
Healthy, Hunger-Free Kids Act of 2010	10.592	N/A	20,285	7/1/13-6/30/14	(2,286)	-	2,286	-	-	-	-	-	-
National School Lunch Program	10.555	5120-201-372573-63	440,981	7/1/14-6/30/15	-	-	407,783	(440,981)	-	-	-	(33,198)	-
National School Lunch Program	10.555	5120-201-372573-63	376,190	7/1/13-6/30/14	(38,596)	-	38,596	-	-	-	-	-	-
Breakfast Program	10.553	5120-201-372713-63	19,963	7/1/14-6/30/15	-	-	19,709	(21,769)	-	-	-	(2,060)	-
Breakfast Program	10.553	5120-201-372713-63	16,242	7/1/13-6/30/14	(1,834)	-	1,834	-	-	-	-	-	-
Total Child Nutrition Program Cluster					(42,716)	-	593,244	(587,767)	-	-	-	(37,239)	-
Total Enterprise Fund					(42,716)	-	593,244	(587,767)	-	-	-	(37,239)	-
Special Revenue Fund:													
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:													
Title L-Part A Cluster													
Title I	84.010	NCLB316015	377,434	7/1/14-6/30/15	-	-	225,003	(334,876)	-	-	-	(109,873)	-
Title I	84.010	NCLB316014	335,814	7/1/13-6/30/14	(71,684)	-	67,955	(4,981)	-	9,091	-	-	379
Total Title I Cluster					(71,684)	-	292,956	(339,857)	-	9,091	-	(109,873)	379
Title IIA	84.367	NCLB316015	210,155	7/1/14-6/30/15	-	-	124,884	(169,478)	-	-	-	(44,594)	-
Title IIA	84.367	NCLB316014	222,319	7/1/13-6/30/14	(50,606)	-	50,606	(946)	-	1,417	-	-	471
Title III	84.365	NCLB316015	23,626	7/1/14-6/30/15	-	-	8,734	(20,023)	-	-	-	(11,289)	-
Title III	84.365	NCLB316014	18,695	7/1/13-6/30/14	(2,876)	-	2,876	-	-	-	-	-	-
Title III Immigrant	84.365A	NCLB316015	13,207	7/1/14-6/30/15	-	-	5,473	(11,916)	-	-	-	(6,443)	-
Special Education Cluster													
I.D.E.A.-Basic Regular	84.027	IDEA316015	2,757,682	7/1/14-6/30/15	-	-	2,423,092	(2,706,193)	-	-	-	(283,101)	-
I.D.E.A.-Basic Regular	84.027	IDEA316014	2,690,729	7/1/13-6/30/14	(487,003)	-	463,822	-	-	23,181	-	-	-
I.D.E.A. Preschool	84.173	IDEA316015	89,736	7/1/14-6/30/15	-	-	34,043	(75,426)	-	-	-	(41,383)	-
I.D.E.A. Preschool	84.173	IDEA316014	90,520	7/1/13-6/30/14	(17,976)	-	17,976	-	-	-	-	-	-
Total Special Education Cluster					(504,979)	-	2,938,933	(2,781,619)	-	23,181	-	(324,484)	-
Total U.S. Department of Education					(630,145)	-	3,424,462	(3,323,839)	-	33,689	-	(496,683)	850
General Fund:													
Medical Assistance Program	93.778	N/A	124,341	7/1/14-6/30/15	-	-	124,341	(124,341)	-	-	-	-	-
Total General Fund					-	-	124,341	(124,341)	-	-	-	-	-
Total Federal Financial Assistance					\$ (672,861)	\$ -	\$ 4,142,047	\$ (4,035,947)	\$ -	\$ 33,689	\$ -	\$ (533,922)	\$ 850

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

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MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

GRANT OR PROJECT NUMBER	STATE GRANTOR/ PROGRAM TITLE	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENTS/ CANCELED	UNEARNED REVENUE JUNE 30, 2015	(ACCOUNTS RECEIVABLE) JUNE 30, 2015	DUE TO GRANTOR JUNE 30, 2015	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
15-495-034-5120-014	State Department of Education: General Fund:	\$2,893,232	7/1/14-6/30/15	\$ -	\$ -	\$ 2,893,232	\$ (2,893,232)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (285,028)	\$ 2,893,232
15-495-034-5120-089	Categorical Transportation Aid	6,072,259	7/1/14-6/30/15	-	-	6,072,259	(6,072,259)	-	-	-	-	-	(598,212)	6,072,259
15-495-034-5120-084	Categorical Special Education Aid	837,191	7/1/14-6/30/15	-	-	837,191	(837,191)	-	-	-	-	-	(82,476)	837,191
15-495-034-5120-085	Categorical Security Aid	6,706,735	7/1/14-6/30/15	-	-	6,706,735	(6,706,735)	-	-	-	-	-	(660,718)	6,706,735
15-495-034-5120-078	Adjustment Aid	1,001,995	7/1/14-6/30/15	-	-	1,001,995	(1,001,995)	-	-	-	-	-	(98,712)	1,001,995
15-495-034-5120-098	PARCC Readiness Aid	96,610	7/1/14-6/30/15	-	-	96,610	(96,610)	-	-	-	-	-	(9,518)	96,610
15-495-034-5120-097	Per Popl Growth Aid	96,610	7/1/14-6/30/15	-	-	96,610	(96,610)	-	-	-	-	-	(9,518)	96,610
	Total State Aid Cluster	14,811,400				14,811,400	(14,811,400)						(1,459,154)	14,811,400
14-495-034-5120-044	Extraordinary Special Education Costs Aid	1,404,435	7/1/14-6/30/14	(1,404,435)	-	1,404,435	-	-	-	-	-	-	-	-
15-495-034-5120-173	Emergency Special Education Costs Aid	1,184,154	7/1/14-6/30/15	-	-	1,184,154	(1,184,154)	-	-	-	(1,184,154)	-	-	1,184,154
14-495-034-5120-014	Non Public Transportation Aid	105,893	7/1/14-6/30/14	(105,893)	-	105,893	-	-	-	-	-	-	-	-
15-495-034-5120-014	Non Public Transportation Aid	82,359	7/1/14-6/30/15	-	-	82,359	(82,359)	-	-	-	(82,359)	-	-	82,359
14-495-034-5095-002	Reimbursed TPAE Social Security Contributions (Nonbudgeted)	5,289,576	7/1/13-6/30/14	(263,008)	-	263,008	-	-	-	-	-	-	-	-
15-495-034-5095-002	Reimbursed TPAE Social Security Contributions (Nonbudgeted)	5,451,991	7/1/14-6/30/15	-	-	4,931,977	(5,188,984)	-	-	-	(257,007)	-	-	5,188,984
15-495-034-5095-001	Reimbursed TPAE Post-Retirement Contributions	3,917,677	7/1/14-6/30/15	-	-	3,917,677	(3,917,677)	-	-	-	-	-	-	3,917,677
15-495-034-5095-001	Reimbursed TPAE Post-Retirement Medical	6,219,314	7/1/14-6/30/15	-	-	6,219,314	(6,219,314)	-	-	-	-	-	-	6,219,314
	Total General Fund			(1,773,356)	-	34,546,936	(34,297,120)	-	-	-	(1,523,520)	-	(1,744,182)	34,297,120
3160-050-14-1019	SCC Grants: Roof Replacement - HS North	775,680	Open	(3,795)	-	-	(545,753)	-	-	-	(549,548)	-	-	549,548
3160-050-14-1020	Roof Replacement - HS South	1,388,063	Open	(1,056,273)	-	843,395	-	-	3,976	-	(208,902)	-	-	1,052,297
3160-050-14-1022	Roof Replacement - Basestone	1,070,256	Open	(5,236)	-	260,916	(842,093)	-	-	-	(847,329)	-	-	847,329
3160-050-14-1025	Roof Replacement - Thompson	423,920	Open	(3,902)	-	414,789	(9,909)	-	-	-	(65,230)	-	-	326,146
3160-050-14-1027	Roof Replacement - Bayview	668,440	Open	(508,579)	-	-	(361,462)	-	-	-	(103,699)	-	-	518,488
3160-050-14-1028	Roof Replacement - Fairview	459,400	Open	(2,248)	-	-	(161,313)	-	-	-	(162,254)	-	-	162,254
3160-090-14-1031	Roof Replacement - Leonard	229,120	Open	(879)	-	230,024	(40,128)	-	-	-	(57,507)	-	-	127,192
3160-120-14-1032	Roof Replacement - Lincoln	373,620	Open	(284,187)	-	-	(3,344)	-	-	-	(40,377)	-	-	287,531
3160-130-14-1033	Roof Replacement - Midd. Village	179,700	Open	(249)	-	-	(208,415)	-	-	-	(209,874)	-	-	209,874
3160-140-14-1034	Roof Replacement - Navesink	51,000	Open	(2,489)	-	-	(373,517)	-	-	-	(211,180)	-	-	211,180
3160-140-14-1035	Roof Replacement - New Monmouth	298,000	Open	(2,322)	-	-	(34,906)	-	-	-	(17,840)	-	-	17,840
3160-143-14-1037	Roof Replacement - Nut Swamp	296,032	Open	(1,448)	-	139,623	-	10,140	-	-	(22,728)	-	-	45,914
3160-080-14-1050	Roof Replacement - Ocean Ave	243,384	Open	(184,669)	-	-	(170,654)	-	-	-	(18,255)	-	-	39,609
3160-100-14-1059	Roof Replacement - River Plaza	242,460	Open	(1,186)	-	23,186	-	-	-	-	(15,255)	-	-	39,609
3160-050-14-1001	Phone Sys Replacement - HS North	61,586	Open	(48,914)	-	-	-	-	-	-	(18,506)	-	-	18,506
3160-050-14-1002	Phone Sys Replacement - HS South	42,466	Open	(39,900)	-	16,066	-	-	-	-	(18,506)	-	-	18,506
3160-050-14-1003	Phone Sys Replacement - Basestone	4,606	Open	(4,606)	-	-	-	-	-	-	(8,589)	-	-	8,589
3160-050-14-1004	Phone Sys Replacement - Bayview	23,182	Open	(17,280)	-	8,731	-	-	-	-	(8,484)	-	-	17,280
3160-050-14-1005	Phone Sys Replacement - Thompson	22,983	Open	(17,440)	-	8,656	-	-	-	-	(8,484)	-	-	17,440
3160-050-14-1006	Phone Sys Replacement - Fairview	13,335	Open	(9,945)	-	5,022	-	-	-	-	(4,923)	-	-	9,945
3160-090-14-1008	Phone Sys Replacement - Leonard	9,988	Open	(7,449)	-	3,762	-	-	-	-	(3,687)	-	-	7,449
3160-095-14-1009	Phone Sys Replacement - Harmony	13,534	Open	(10,093)	-	5,097	-	-	-	-	(4,996)	-	-	10,093
3160-110-14-1010	Phone Sys Replacement - Lincoln	9,790	Open	(7,301)	-	3,687	-	-	-	-	(3,614)	-	-	7,301
3160-120-14-1011	Phone Sys Replacement - Midd. Village	10,187	Open	(7,587)	-	3,836	-	-	-	-	(3,761)	-	-	7,587
3160-130-14-1012	Phone Sys Replacement - Navesink	10,382	Open	(7,742)	-	3,910	-	-	-	-	(3,832)	-	-	7,742
3160-140-14-1013	Phone Sys Replacement - New Monmouth	8,796	Open	(6,560)	-	3,313	-	-	-	-	(3,247)	-	-	6,560
3160-143-14-1014	Phone Sys Replacement - Nut Swamp	15,521	Open	(11,575)	-	5,845	-	-	-	-	(5,730)	-	-	11,575
3160-145-14-1015	Phone Sys Replacement - Ocean Ave	12,938	Open	(9,649)	-	4,873	-	-	-	-	(4,776)	-	-	9,649
3160-080-14-1007	Phone Sys Replacement - Port Monmouth	9,988	Open	(7,449)	-	3,762	-	-	-	-	(3,687)	-	-	7,449
3160-150-14-1016	Phone Sys Replacement - River Plaza	8,597	Open	(6,411)	-	3,238	-	-	-	-	(3,175)	-	-	6,411
3160-160-14-1017	Phone Sys Replacement - Basestone	9,591	Open	(7,153)	-	3,612	-	-	-	-	(3,541)	-	-	7,153
3160-050-14-1018	Geothermal Upgrades - HS North	1,349,890	Open	(1,266,333)	-	-	(1,266,333)	-	-	(1,279,020)	-	-	-	1,279,020
3160-050-14-1019	Geothermal Upgrades - HS South	1,665,308	Open	(1,665,308)	-	-	-	-	-	-	-	-	-	1,665,308
3160-050-14-1021	Geothermal Upgrades - Bayview	845,508	Open	(845,508)	-	-	-	-	-	-	-	-	-	845,508
3160-050-14-1022	Geothermal Upgrades - Thompson	942,461	Open	(942,461)	-	-	-	-	-	-	-	-	-	942,461
3160-050-14-1024	Geothermal Upgrades - Fairview	244,880	Open	(244,880)	-	-	-	-	-	-	-	-	-	244,880
3160-143-14-1036	Boiler Replacement - New Monmouth	221,860	Open	(9,843)	-	12,332	-	-	-	-	(129,317)	-	-	144,126
3160-080-14-1029	Total Capital Projects Fund			(5,338,972)	-	4,041,392	(6,335,304)	-	197,361	-	(7,435,522)	-	-	11,476,915

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE
June 30, 2015

Note 1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Middletown Township Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. The basis of accounting is described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year whereas, for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis, with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(21,797) for the general fund and \$(144,908) for the special revenue fund. See Exhibit C-3, notes to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented on the following page:

MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE
June 30, 2015

Note 3. Relationship to Basic Financial Statements (continued):

	State	Federal	Total
General Fund	\$ 34,275,323	\$ 124,341	\$ 34,399,664
Special Revenue Fund	1,075,752	3,178,931	4,254,683
Debt Service Fund	1,398,310	-	1,398,310
Food Service Fund	<u>19,963</u>	<u>589,827</u>	<u>609,790</u>
Total Awards and Financial Assistance	<u>\$ 36,769,348</u>	<u>\$ 3,893,099</u>	<u>\$ 40,662,447</u>

Note 4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5. Federal and State Loans Outstanding

The Middletown Board of Education had the no loan balances outstanding at June 30, 2015:

Note 6. Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial statements noted?	None Reported

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with .510(a) of Circular A-133?	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	IDEA Cluster:
84.173	IDEA-Part B, Basic Regular
84.010	IDEA-Part B, Preschool
84.367	Title I
	Title IIA
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results (continued)

State Financial Assistance

Dollar threshold used to distinguish between type A and type B programs:	\$989,684
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular(s) 04-04 and/or 15-08	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
15-495-034-5120-089	State Aid Cluster: Categorical Special Education Aid
15-495-034-5120-078	Equalization Aid
15-495-034-5120-084	Categorical Security Aid
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-473	Extraordinary Special Education Aid
15-495-034-5120-075	Debt Service Aid

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 or New Jersey OMB's Circular(s) 04-04 and/or 15-08.

No Current Year Findings

**MIDDLETOWN TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, USOMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular(s) 04-04 and/or 15-08.

Finding 2014-1

Condition:

Based on the Federal Monitoring Report covering period July 1, 2012 through November 14, 2013, the following were noted:

- The District is not tracking Title 1 expenditures by school attendance areas in its accounting system.
- The District's use of Title 1 funds for several types of expenditures supplants state/local funds.
- Notification letters sent to parents/guardians of identified Title 1 students did not clearly define entrance and exit criteria.
- The District could not provide documentation that its Title 1 funded schools convened their annual Title 1 parent meetings.
- The District could not provide documentation of its consultation process with all nonpublic schools that enroll resident students.
- The District used its Title II funds to pay for a program that included students receiving instruction.
- The District does not have a comprehensive equipment inventory for items purchased with federal grant funds.
- On several occasions, the District failed to issue a purchase order prior to services being rendered.

Current Status:

Corrective action has been implemented.